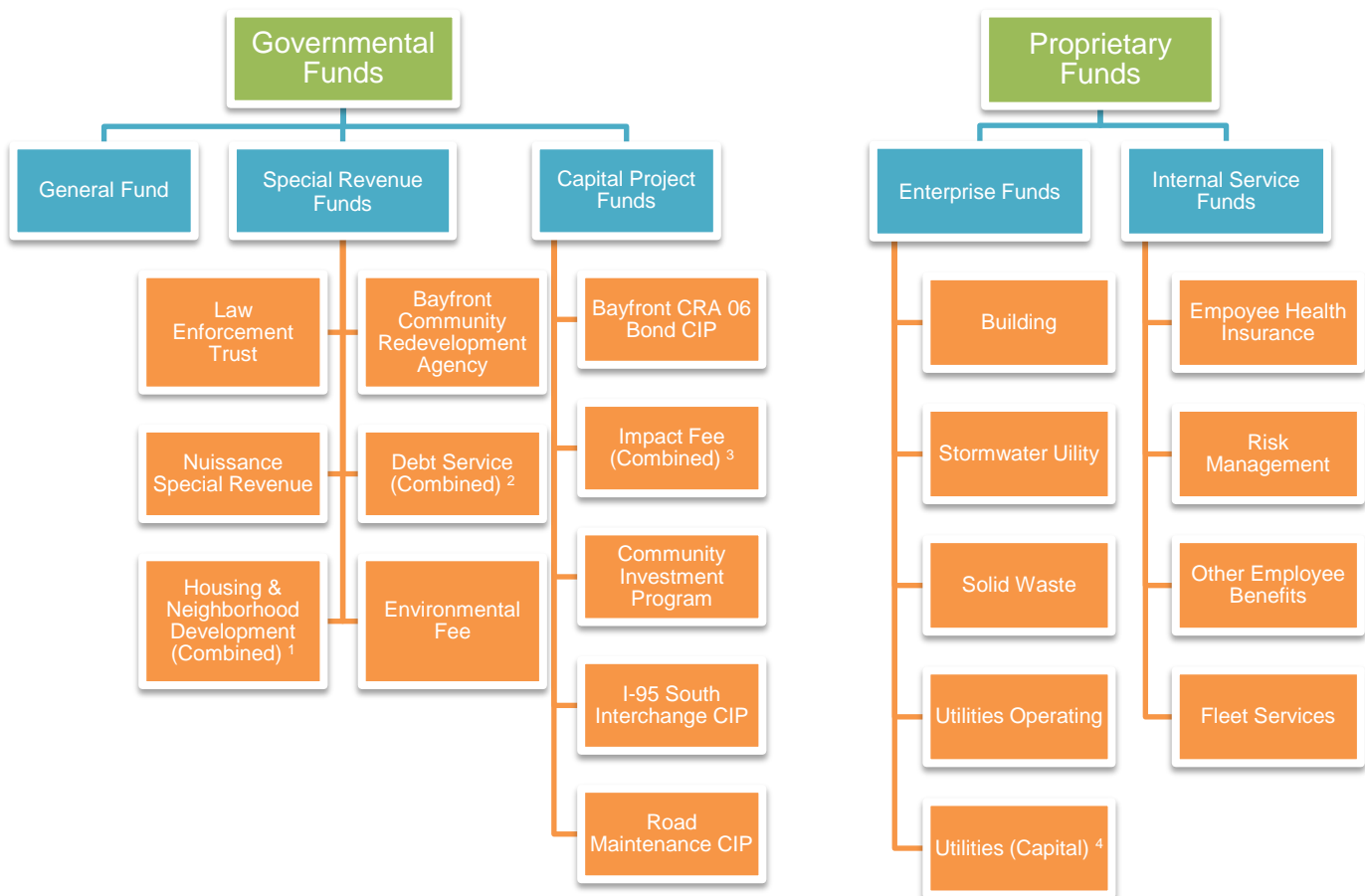


Fund Summary Analysis



¹ Housing and Neighborhood Development (Combined) Fund

Summary consists of:

- * Fund 111 - State Housing Grant Fund
- * Fund 112 - Comm. Development Block Grant Fund
- * Fund 114 - Home Investment Grant Fund

² Debt Service (Combined) Fund Summary consists of:

- * Fund 201 - Debt Service Fund (Capital Leases)
- * Fund 214 - '04 Pension Bonds Debt Service Fund
- * Fund 219 - '10 Public Service Tax (PST) Revenue Bond
- * Fund 221 - '13 Taxable Service Obligation Refunding Bond Fund
- * Fund 222 - '14 Local Option Gas Tax Refunding Note Fund
- * Fund 223 - '15 Franchise Fee Revenue Note Fund
- * Fund 224 - '15 Sales Tax Refunding Bond Fund
- * Fund 225 - '15 Refunding Bond Fund-TIF
- * Fund 226 - '16 Franchise Fee Revenue Refunding Note Fund
- * Fund 227 - '18 Local Option Gas Tax Revenue Note Fund

³ Impact Fee (Combined) Fund Summary consists of:

- * Fund 152 - Police Impact Fees
- * Fund 153 - Fire Impact Fees
- * Fund 154 - Parks Impact Fees
- * Fund 155 - Transportation Impact Fees

⁴ Utilities Capital (Combined) Fund Summary consists of:

- * Fund 423 - Utilities Connections Fee Fund
- * Fund 424 - Utilities Renewal and Replacement Fund
- * Fund 425 - Main Line Extension Fee Fund
- * Fund 426 - '05B Bond Construction Fund
- * Fund 427 - '01 Bond Construction Fund
- * Fund 428 - '14 Bond Construction Fund
- * Fund 431 - Assessment USA 1 Fund
- * Fund 432 - Assessment Unit 31 Fund
- * Fund 433 - Utility SRF Loan Fund

The City of Palm Bay's funds, departments, divisions and accounts are organized based on fund and account groups. Each fund is considered a separate accounting entity; operations within each fund are accounted for with a separate set of self-balancing accounts that comprise the City's assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in each fund based on spending purposes and by what means activities are controlled. All City funds can be separated into three categories: *governmental*, *proprietary*, and *fiduciary funds*.

GOVERNMENTAL FUNDS

The **General Fund** is the City's largest fund. Governmental services include legislative oversight, general and financial administration, law enforcement, community development, streets and drainage system operations and maintenance, and parks and recreation operations and maintenance. General Fund activities are primarily funded through property taxes, franchise fees and certain state-shared revenues. General Fund activities comprise of approximately 39.6% of the City's annual budget and are accounted for on a Modified Accrual Basis.

A **Special Revenue Fund** is generally established to account for revenues restricted by statute or ordinance for a specified purpose, or when a request for separated accounting of special project costs is needed. The accounting for these funds is on a Modified Accrual Basis.

A **Capital Project Fund** is generally a special revenue fund established to track specific capital infrastructure construction projects and/or acquisitions. Although some capital project funds can be classified as enterprise funds (such as the Utilities Community Investment Funds), for the purposes of this document they are listed and presented as capital project funds. The accounting for these funds is on a Modified Accrual Basis.

PROPRIETARY FUNDS

The City maintains two types of proprietary funds that are accounted for on a full accrual basis.

- An **Enterprise Fund** is used for business-type activities within the City. The information focuses on near-term inflows and outflows of spendable resources, as well as the balance of spendable resources available at the end of each fiscal year presented. The City uses enterprise funds to account for the water and wastewater utilities operating activities, building functions, stormwater utility and solid waste activities.
- An **Internal Service Fund** is used to track the accumulation and allocation of costs internally among the City's departments and funds. The City uses internal service funds to account for the administration of employee health insurance and other employee benefits, risk management, and fleet service activities.

The City also operates two other types of funds that are not included in this Approved Budget document: **Agency** and **Trust Funds**.

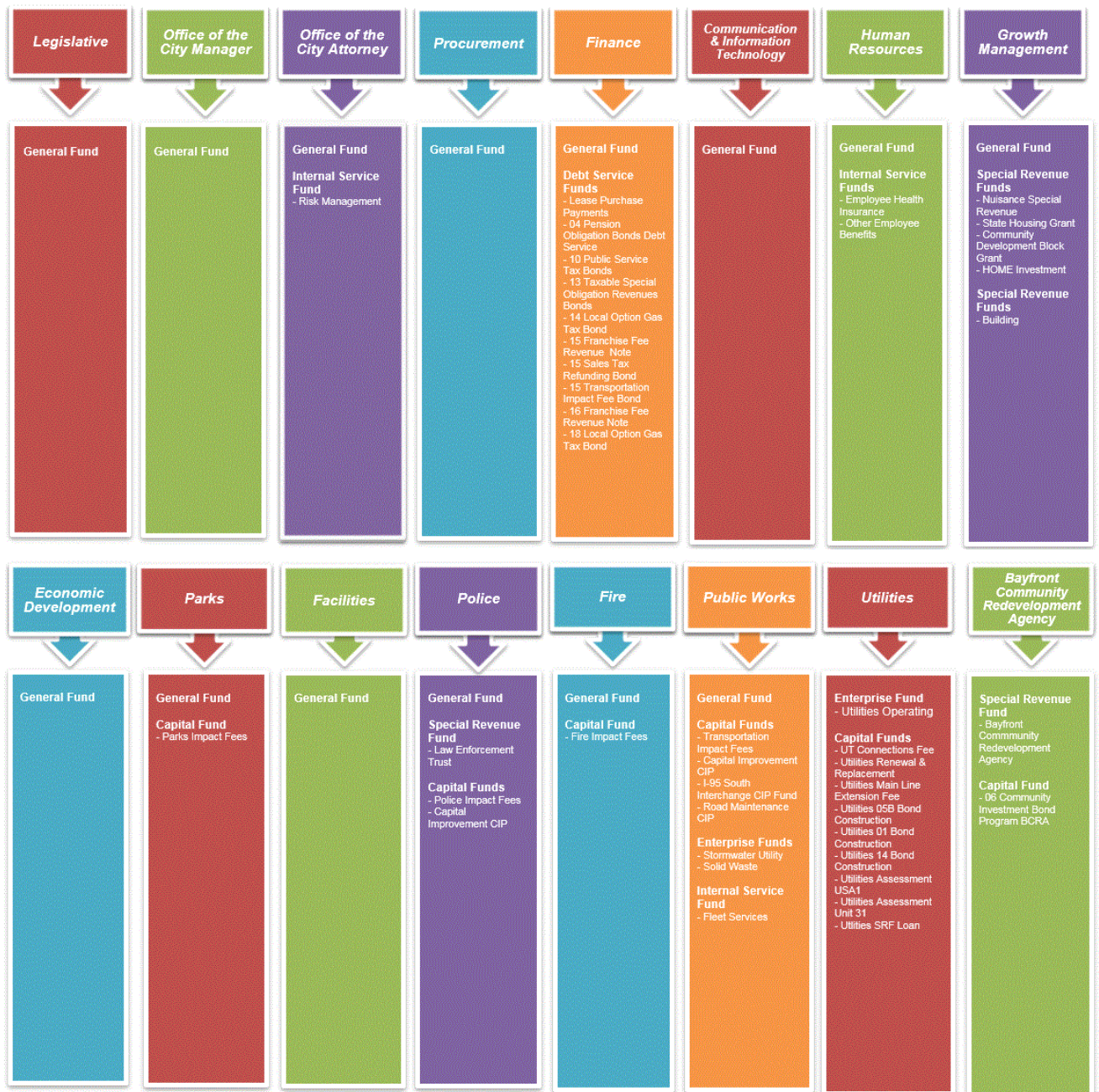
FIDUCIARY FUNDS

An **Agency Fund** accounts for money received by the City that is held on behalf, and for the benefit of, others. Agency funds are not budgeted as amounts received or disbursed are not City revenues or expenditures. The City maintains two Agency Funds: (1) 401A Retirement Plan and (2) 457 Deferred Compensation Plan.

A **Trust Fund** accounts for revenues (received and held by the City) that are restricted by statute or ordinance, or per the donor's request. Trust Funds are not budgeted. The City maintains one Trust Fund: (1) Police and Firefighter Pension Trust Fund.

Departmental Fund Linkage

The following matrix illustrates which funds are budgeted for each department.



General Fund

This fund is the chief operating fund of the City.

Law Enforcement Trust Fund

This fund is used to account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgments. The proceeds are to be used solely for crime fighting purposes.

Code Nuisance Fund

This fund is used to account for transactions related to properties with code violations where the owners are unwilling to abate the problems.

SHIP Fund

This fund is used to account for proceeds received from the State for the City's State Housing Initiative Partnership (SHIP) program.

Community Development Block Grant Fund

This fund is used to account for proceeds received from a Housing and Community Development Grant program (CDBG) for common residential improvements.

HOME Grant Fund

This fund is used to account for the proceeds received from the State for the City's HOME Grant.

Impact Fee Trust Funds

These funds are used to account for proceeds provided for the acquisition and/or improvement of urban district park facilities, police capital facilities, fire capital facilities, and the expansion of the City's major road network system.

Environmental Fee Fund

This Fund is used to account for transactions related to the City's Incidental Take Permit issued by the United States Fish and Wildlife Service.

Bayfront Community Redevelopment Agency Fund

This fund is used to account for the ad valorem tax increment revenues accumulated for the community development in areas where taxes were assessed.

Debt Service Funds

The City has several debt service funds. They are used to account for the payment of principal and interest on outstanding general governmental revenue bonds.

Community Investment Fund

This fund is used to account for financial resources earmarked for the acquisition of construction of major capital facilities or other project-oriented activities.

I-95 Interchange Fund

This fund is used to account for financial resources earmarked for the construction of an interchange between St. John's Heritage Parkway (Palm Bay Parkway) and Micco Road.

Road Maintenance CIP Fund

This fund is used to account for financial resources earmarked for the maintenance and repair of existing roadways.

Utility Fund

This fund is used to account for activities of the utility services provided. This fund is an enterprise fund in that it fully supports its operations.

Utilities Capital Funds

These funds are used to account for financial resources from dedicated revenue streams, capital improvements to the City's Water and Wastewater systems, and the principal and interest payments of various bond debt service.

Building Fund

This fund is used to account for building-related activities within the City. Revenues are primarily generated by user licenses and permits.

Stormwater Fund

This fund is used to account for Stormwater services in the City.

Solid Waste Fund

This fund is used to account for Solid Waste services in the City.

Risk Management Fund

This fund is used to account for the expenses incurred for workers' compensation claims, general and auto liability claims and property damage claims and the related administrative expenses to operate the City's risk management program. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates.

Employee Benefit Funds

These funds are used to account for expenses incurred for insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan maintained for the City employees.

Fleet Services Fund

This fund is used to account for the fiscal activity related to meeting the automotive and other vehicular needs of the City. This fund purchase vehicles, maintains them and charges user departments for the vehicular usage.

All Funds Summary

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	59,640,016	49,941,885	63,265,334	63,265,334	58,977,419
REVENUES/SOURCES:					
Property Taxes	27,050,558	29,697,170	29,862,525	29,957,571	32,771,305
Sales, Use & Fuel Taxes	4,089,629	4,208,406	4,208,406	3,900,000	3,848,419
Franchise Fees	5,440,631	5,240,000	5,240,000	5,560,785	5,645,000
Utility Taxes	8,529,880	8,402,000	8,402,000	8,736,700	8,923,000
Communications Service Tax	2,569,292	2,779,457	2,779,457	2,730,000	2,600,449
Licenses & Permits	2,631,984	3,543,124	4,797,917	2,627,396	3,513,060
Impact Fees	2,963,442	2,235,000	3,790,670	3,180,000	3,702,000
Intergovernmental	14,011,953	13,499,200	19,642,985	16,313,473	14,116,621
Charges for Service	60,989,345	59,450,502	60,155,292	60,429,367	64,263,879
Fines and Forfeitures	580,172	346,300	476,215	447,850	391,500
Miscellaneous	9,127,894	20,138,076	20,467,968	20,848,068	11,541,011
Capital Contributions	2,072,222	1,822,039	1,822,039	2,648,539	2,568,930
Transfers	18,850,671	17,951,510	21,445,414	18,772,797	22,248,941
TOTAL REVENUES/SOURCES	158,907,673	169,312,784	183,090,888	176,152,546	176,134,115
TOTAL FUNDS AVAILABLE	218,547,689	219,254,669	246,356,222	239,417,880	235,111,534
EXPENDITURES/USES					
Legislative	669,147	709,182	712,660	717,808	767,992
Office of City Manager	707,000	795,135	835,123	804,756	827,548
Office of City Attorney	5,670,483	4,709,804	5,509,203	4,806,952	4,864,608
Procurement	393,061	468,024	452,024	380,791	557,818
Finance	1,336,830	1,404,782	1,411,584	1,344,344	1,456,781
Communication & Info Technology	2,446,042	3,431,211	3,460,921	3,388,915	3,363,368
Human Resources	14,672,654	15,934,446	15,922,446	14,283,703	20,061,123
Growth Management	3,494,374	4,459,261	8,801,155	5,931,312	5,494,301
Economic Development	739,219	696,632	709,952	643,343	924,382
Parks and Recreation	4,724,084	4,435,090	5,174,416	5,025,443	4,331,442
Facilities	2,529,493	2,557,681	7,105,463	2,783,521	2,932,500
Police	18,783,742	19,860,869	19,979,380	19,435,779	21,285,693
Fire	13,834,465	14,260,285	14,511,132	14,573,789	15,216,298
Public Works	22,190,920	22,559,831	38,552,173	32,401,416	25,747,384
Utilities	19,991,554	32,658,442	33,882,192	32,956,863	27,264,167
Bayfront Community Red. Agency	660,597	732,408	1,993,192	1,924,131	854,441
Debt Service	19,897,992	15,339,882	15,402,882	15,403,155	16,043,403
Transfers	18,739,960	17,951,510	21,037,114	19,343,175	23,016,722
Non-Departmental	3,800,740	5,622,364	5,680,226	4,291,265	4,701,004
TOTAL EXPENDITURES/USES	155,282,357	168,586,839	201,133,238	180,440,461	179,710,975
Revenues Over/(Under)Expenditures					
ENDING BALANCE	3,625,316	725,945	(18,042,350)	(4,287,915)	(3,576,860)
Adjustments	-	-	-	-	450,000
Fund Balance:					
Reserved/Restricted	(637,456)	5,231,832	6,956,284	(383,671)	2,978,306
Debt Service Reserve	4,141,424	2,170,250	2,170,250	2,170,250	2,170,250
90-Day Operating Reserve	3,840,344	4,710,210	4,907,936	4,784,213	4,944,804
Undesignated	55,921,022	38,555,538	31,188,514	52,406,627	45,307,199
TOTAL ENDING BALANCE	63,265,332	50,667,830	45,222,984	58,977,419	55,850,559

Revenue/Sources

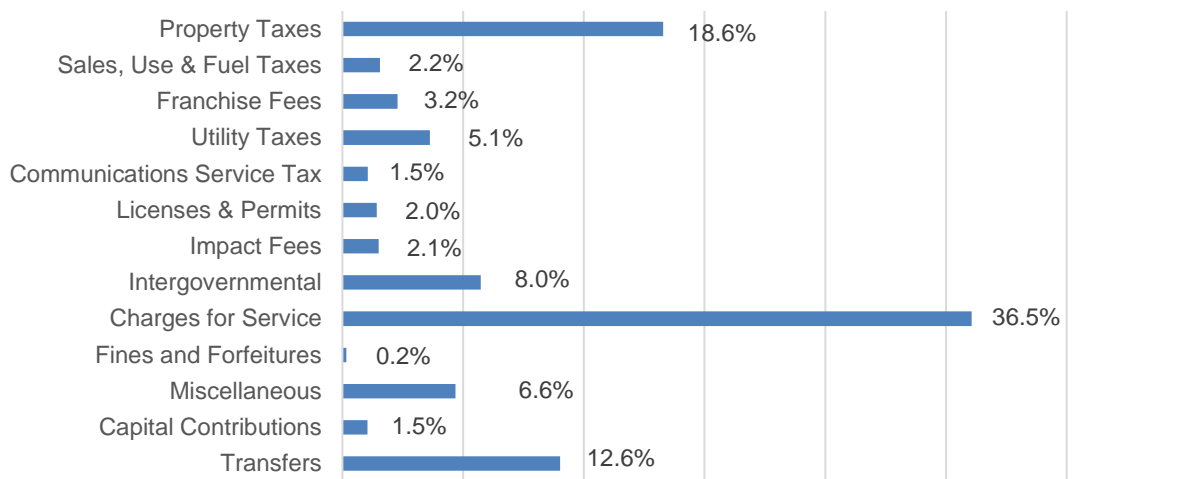
All Funds

The overall financial condition of the City is progressing towards financial stability with strong infrastructure investments and continued focus on customer service. Total FY 19 budgeted revenue/sources, collectively among all funds, of \$176,134,115 are \$18,431 lower than the FY 18 estimated year-end receipts. Meanwhile, FY 18 estimated year-end receipts of \$176,152,546 are \$17,244,873, or 10.9%, higher than FY 17 Actuals.

Major factors contributing to the variance in revenue/sources from the FY 18 Approved Budget include:

- A \$3,074,135, or 10.4%, increase in Property Taxes
- A \$1,467,000, or 65.6%, increase in combined Impact Fees
- A \$45,200, or 13.1%, increase in Fines and Forfeitures
- A \$4,297,431, or 23.9%, increase in Capital Contributions
- An \$8,597,065, or 42.7%, decrease in Miscellaneous revenues

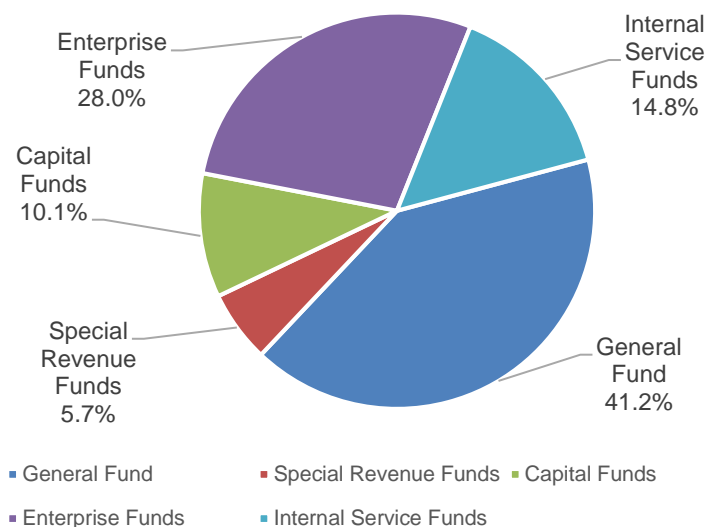
The chart below reflects a breakdown of the total FY 19 budgeted revenue/sources across all funds.



Total Citywide Revenue/Sources by Fund Type

The chart to the right illustrates that the majority of the City's revenues are derived from General Fund and Enterprise Fund operations.

Capital Fund revenues/sources are usually special revenue streams, bond proceeds, interest income or grants which can vary on a fiscal year basis. As previously noted, Impact Fee Funds are classified and presented as Capital Funds in this document due to expenditure limitations placed on the revenue.



Expenditures/Uses

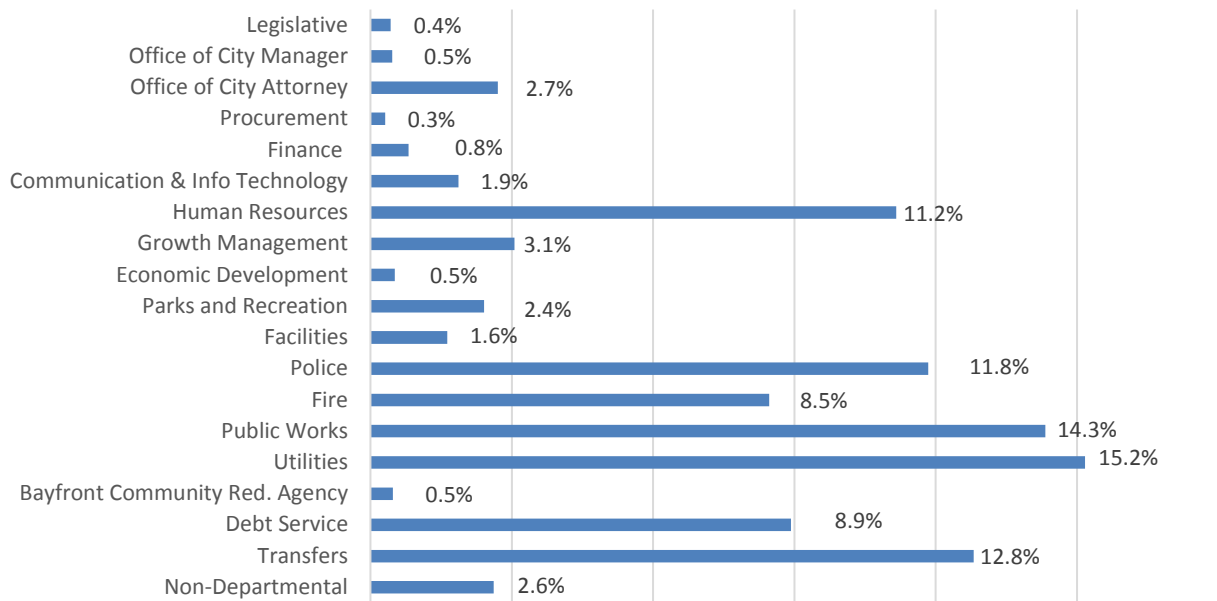
All Funds

Total FY 19 budgeted expenditures/uses, collectively among all funds, of \$179,710,975 are \$729,486, or 0.4%, lower than the FY 18 estimated year-end receipts. Meanwhile, FY 18 estimated year-end receipts of \$180,440,461 are \$25,158,104, or 16.2%, higher than FY 17 Actuals.

The following departmental expenditure/uses reflect a 10.0%, or greater, variance from the FY 18 Approved Budget include:

- Procurement – 19.2%
- Human Resources – 25.9%
- Growth Management – 23.2%
- Economic Development – 32.7%
- Facilities – 14.7%
- Public Works – 14.1%
- Utilities – (16.5%)
- Bayfront Community Redevelopment Agency (BCRA) – 16.7%
- Transfers – 28.2%
- Non-Departmental – (16.4%)

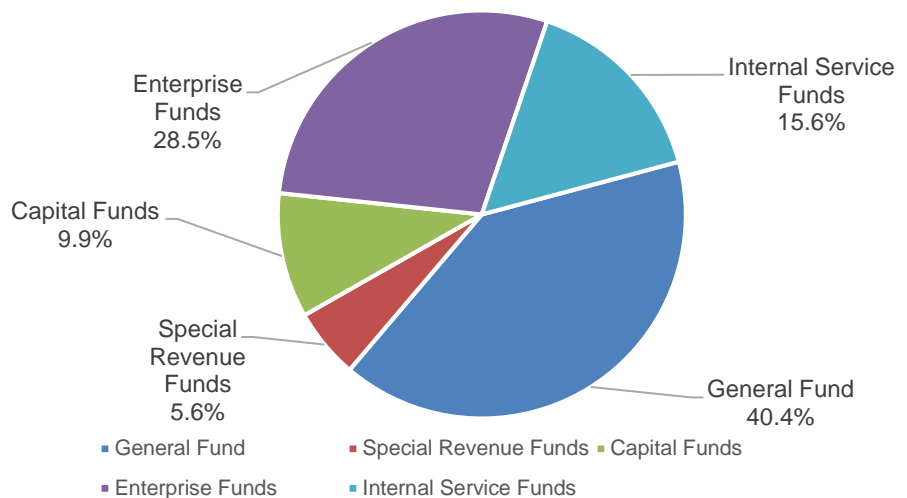
The chart below reflects a breakdown of the total FY 19 budgeted expenditures/uses across all funds.



Total Citywide Expenditure/Uses by Fund Type

The chart to the right illustrates that most of the City's expenditures are carried by General Fund and Enterprise Fund operations.

General Fund operations make up over 40.4% of all City expenditures/uses.



Fund Balance Increase/Decrease by Fund for Government Funds

	BEGINNING BALANCE BASED ON FY 18 ESTIMATES	FY 19 REVENUES/ SOURCES	FY 19 EXPENDITURES/ USES	FY 19 PROJECTED ENDING BALANCE	CHANGE IN FUND BALANCE	PERCENT CHANGE IN FUND BALANCE
GENERAL FUND	14,698,469	72,567,846	72,567,846	14,698,469	-	0.0%
SPECIAL REVENUE FUNDS						
Law Enforcement Trust	147,095	-	-	147,095	-	0.0%
Nuisance ¹	311,734	155,600	90,869	376,465	64,731	20.8%
HANDS (Combined) ²	1,031,354	1,586,541	1,410,436	1,207,459	176,105	-17.1%
Debt Service (Combined)	4,975,689	7,239,289	7,147,623	5,067,355	91,666	1.8%
Environmental Fee	(592,477)	14,800	6,500	(584,177)	8,300	1.4%
Bayfront Comm. Redev. Agency	114,921	1,329,553	1,329,553	114,921	-	0.0%
Sub-total:	5,988,316	10,325,783	9,984,981	6,329,118	340,802	5.7%
CAPITAL FUNDS						
Impact Fees (Combined) ³	4,953,951	3,740,750	1,755,461	6,939,240	1,985,289	40.1%
Capital Improvements Program	183,107	-	-	183,107	-	0.0%
Bayfront CRA 06 Bond Const.	(68,092)	-	-	(68,092)	-	0.0%
Road Maintenance CIP	111,713	200,000	200,000	111,713	-	0.0%
Utilities Capital (Combined) ⁴	11,648,189	13,916,173	15,833,682	9,730,680	(1,917,509)	-16.5%
Sub-total:	16,828,868	17,856,923	17,789,143	16,896,648	67,780	0.4%

Fund Balance (Governmental Funds) - Fund Balance represents the net financial resources of a fund (assets minus liabilities). There are different classifications of Fund Balance as determined by GASB 54.

No-spendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact (inventories, prepaid, Long-term receivables in the general fund).

Restricted - Constraints are placed on the resources by creditors and grantors or imposed by law through constitutional provisions or enabling legislation.

Committed - Used for specific purposes pursuant to constraints imposed by formal action of the Council.

Assigned - Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned - The fund balance that has not been reported in any other classification.

Explanation of Variances in Fund Balance Greater than 10.0%

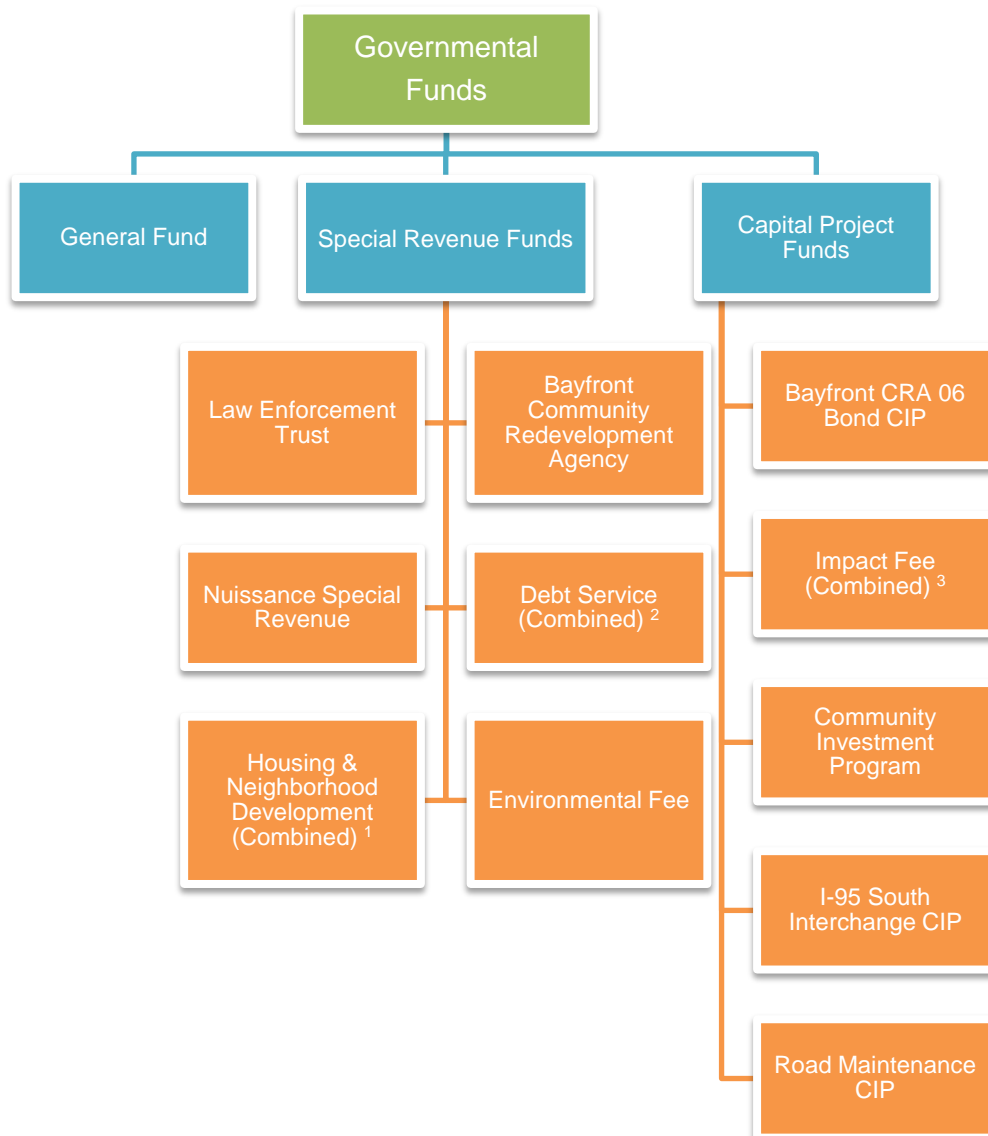
¹ The increase in the Nuisance Fund Fund Balance can be attributed to a reduction in expenditures on nuisance violations.

² The decrease in the HANDS (Combined) Fund Balance can be attributed to a reduction in anticipated revenues in the State Housing Grant Fund (111).

³ The increase in the Impact Fees (Combined) Fund Balance can be attributed to an increase in anticipated impact fee revenues and a reduction in expenditures associated with Parks & Recreation Department projects.

⁴ The decrease in the Utilities Capital (Combined) Fund Balance can be attributed to current project completions and new projects added to the Capital Improvement Program; this trend is expected to continue in the future.

Governmental Funds



¹ Housing and Neighborhood Development (Combined) Fund

Summary consists of:

- * Fund 111 - State Housing Grant Fund
- * Fund 112 - Comm. Development Block Grant Fund
- * Fund 114 - Home Investment Grant Fund

² Debt Service (Combined) Fund Summary consists of:

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- * Fund 227 - '18 Local Option Gas Tax Revenue Note Fund

³ Impact Fee (Combined) Fund Summary consists of:

- * Fund 152 - Police Impact Fees
- * Fund 153 - Fire Impact Fees
- * Fund 154 - Parks Impact Fees
- * Fund 155 - Transportation Impact Fees

General Fund Summary

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	9,174,581	8,631,997	8,631,997	8,631,997	14,698,469
REVENUES/SOURCES:					
Property Taxes	26,256,112	28,467,595	28,635,160	28,730,207	31,445,752
Sales, Use & Fuel Taxes	4,089,629	4,208,406	4,208,406	3,900,000	3,848,419
Franchise Fees	5,440,631	5,240,000	5,240,000	5,560,785	5,645,000
Utility Taxes	8,529,880	8,402,000	8,402,000	8,736,700	8,923,000
Communications Service Tax	2,569,292	2,779,457	2,779,457	2,730,000	2,600,449
Licenses & Permits	559,266	567,000	567,000	580,720	574,800
Intergovernmental	12,033,444	12,058,266	13,679,622	12,669,241	12,480,080
Charges for Service	3,446,249	3,431,469	3,832,045	3,846,033	4,103,312
Fines and Forfeitures	480,379	346,300	476,215	408,180	391,500
Miscellaneous	1,000,610	406,600	5,676,046	5,610,185	380,200
Transfers	1,951,028	2,408,344	2,594,766	2,573,766	2,175,334
TOTAL REVENUES/SOURCES	66,356,520	68,315,437	76,090,717	75,345,817	72,567,846
TOTAL FUNDS AVAILABLE	75,531,101	76,947,434	84,722,714	83,977,814	87,266,315
EXPENDITURES/USES					
Legislative	669,147	709,182	712,660	717,808	767,992
Office of City Manager	707,000	795,135	835,123	804,756	827,548
Office of City Attorney	673,629	577,672	1,366,365	615,112	575,522
Procurement	393,061	468,024	452,024	380,791	557,818
Finance	1,336,830	1,404,782	1,411,584	1,344,344	1,456,781
Communication & Info Technology	2,446,042	3,431,211	3,460,921	3,388,915	3,363,368
Human Resources	603,060	715,807	703,807	704,623	913,103
Growth Management	1,305,466	1,398,112	1,469,904	1,352,692	1,968,182
Economic Development	739,219	696,632	709,952	643,343	924,382
Parks and Recreation	4,442,971	4,275,090	4,466,370	4,418,299	4,331,442
Facilities	2,529,493	2,557,681	7,105,463	2,783,521	2,932,500
Police	18,608,003	19,770,447	19,761,396	19,252,670	21,285,693
Fire	13,834,465	14,260,285	14,489,529	14,552,186	15,136,298
Public Works	6,255,644	5,144,563	7,901,656	6,935,979	5,503,823
Transfers	8,569,104	6,519,250	8,051,370	7,147,496	7,353,190
Non-Departmental	3,785,970	5,591,564	5,625,851	4,236,810	4,670,204
TOTAL EXPENDITURES/USES	66,899,104	68,315,437	78,523,975	69,279,345	72,567,846
Revenues Over/(Under)Expenditures	(542,584)	-	(2,433,258)	6,066,472	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	-
Contingency Account	-	-	-	-	-
Undesignated	8,631,997	8,631,997	6,198,739	14,698,469	14,698,469
TOTAL ENDING BALANCE	8,631,997	8,631,997	6,198,739	14,698,469	14,698,469
Fund Balance - Requirement	5,750,160	7,410,963	6,508,442	6,118,978	6,478,266
Over / (Under) Policy	2,881,836	1,221,034	(309,703)	8,579,491	8,220,202

Revenue/Sources

General Fund Summary

Within the General Fund, the total FY 19 budgeted revenue/sources of \$72,567,846 are \$2,777,971, or 3.7%, lower than the FY 18 estimated year-end receipts. Meanwhile, FY 18 estimated year-end receipts of \$75,345,817 are \$9,100,009, or 13.7%, higher than FY 17 Actuals. This section, detailing revenue stream rankings based on order of size, provides comparisons between FY 19 budgeted revenue/sources and FY 18 estimated year-end receipts, and FY 18 estimated year-end receipts and FY 17 Actuals. All revenue streams, unless otherwise noted, in the General Fund are projected by the Finance Office and reviewed by the City Manager.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Property Taxes	28,730,207	31,445,752	2,715,545	9.5%
Intergovernmental Revenues	12,669,241	12,480,080	(189,161)	-1.5%
Utility Taxes	11,466,700	11,523,449	56,749	0.5%
Franchise Fees	5,560,785	5,645,000	84,215	1.5%
Charges for Service	3,846,033	4,103,312	257,279	6.7%
Sales, Use & Fuel Taxes	3,900,000	3,848,419	(51,581)	-1.3%
Transfers	2,573,766	2,175,334	(398,432)	-15.5%
Other Revenue Sources	6,599,085	1,346,500	(5,252,585)	-79.6%
TOTAL	75,345,817	72,567,846	(2,777,971)	-3.7%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Property Taxes	26,256,112	28,730,207	2,474,095	9.4%
Intergovernmental Revenues	12,033,444	12,669,241	635,797	5.3%
Utility Taxes	11,099,172	11,466,700	367,528	3.3%
Franchise Fees	5,440,631	5,560,785	120,154	2.2%
Charges for Service	3,446,249	3,846,033	399,784	11.6%
Sales, Use & Fuel Taxes	4,089,629	3,900,000	(189,629)	-4.6%
Transfers	1,840,316	2,573,766	733,450	39.9%
Other Revenue Sources	2,040,255	6,599,085	4,558,830	223.4%
TOTAL	66,245,808	75,345,817	9,100,009	13.7%

1. **Property Taxes** (ad valorem taxation revenue) are the largest single revenue source with \$31,445,752, or 43.3%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Individual property values are determined by the Brevard County Property Appraiser's Office and state law allows a "homestead exemption" of \$50,000 on the first \$25,000 and the second \$25,000 of taxable valuation, if the property serves as the owner's principal residence. In addition, Amendment One includes a portability law that will permit homesteaded property owners, who sell their home, to take the gap between their market value and assessed value to their new home. Currently, the residential market has been rebounding.
 - **Operating Millage** - Revenue derived from taxes levied on the value of all real and personal property located in the City of Palm Bay. These taxes are levied based on property values; they are commonly referred to as "ad valorem taxes." The taxes are collected by the Brevard County Tax Collector and forwarded to the City of Palm Bay as they are received.

Since FY 09, a new methodology for calculating municipal Operating Millage Property Tax revenue has been used. The implementation of Amendment One placed additional restrictions upon the level of property taxes a city can raise. The impact of Amendment One (i.e. the tax revenue reduced by the additional \$25,000 homestead exemption, portability, exemptions for tangible property and limits of growth in non-homesteaded assessments) must be factored into the calculation of the maximum property tax rate most of the City Council can pass and the maximum rate a super-majority of the City council may pass. The approved budgeted property tax rate of 8.4500 is below the majority limitation.

On November 8, 2016, the electorate voted to approve an ad valorem tax limitation of no more than a three percent (3.00%) increase in revenue over the current year's budgeted revenue amount. Under the three percent (3.00%) limitation, the City's Ad Valorem millage rate was capped at 8.0807 mills, an increase in revenue of \$854,028. With ongoing expenditure recoveries from Hurricane Irma, an increase in health insurance cost allocations and needed funding for deferred critical needs, the City Council approved, by a supermajority, retaining the 8.4500 millage rate for FY 19.

2. **Intergovernmental Revenues** are the second largest revenue source with \$12,480,080, or 17.2%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Specified revenue streams within this category include state or local-shared revenue, and revenue derived from federal, state and/or local grants. The annual budgets for these specified revenue streams are set to the Department of Revenue's estimates provided each year. Year-end projections are made by the Finance Office based on historic trends and fiscal year-to-date receipts.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
State Revenue Sharing	4,660,000	4,827,781	167,781	3.6%
Half Cent Sales Tax	6,720,000	6,934,085	214,085	3.2%
Other State-Shared revenue	109,100	108,800	(300)	-0.3%
Federal/State Grants	514,345	42,618	(471,727)	-91.7%
Local & Other Shared Revenue	665,796	566,796	(99,000)	-14.9%
TOTAL	12,669,241	12,480,080	(189,161)	-1.5%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
State Revenue Sharing	4,525,840	4,660,000	134,160	3.0%
Half Cent Sales Tax	6,311,425	6,720,000	408,575	6.5%
Other State-Shared revenue	113,868	109,100	(4,768)	-4.2%
Federal/State Grants	230,708	514,345	283,637	122.9%
Local & Other Shared Revenue	851,603	665,796	(185,807)	-21.8%
TOTAL	12,033,444	12,669,241	635,797	5.3%

- **State Revenue Sharing** – Revenue received from the Municipal Revenue Sharing Trust Fund for municipalities. These funds are derived from Sales and Uses Taxes, the One Cent Municipal Fuel Tax, and the State Alternative Fuel Decal Users Fee.
- **Half Cent Sales Tax** – Revenue derived from the Florida Local Government Half-Cent Sales Tax Program; 8.814% of sales tax proceeds is returned to cities and counties (effective July 1, 2004). The funds are distributed to cities and counties from the Local Government Half-Cent Sales Tax Clearing Trust Fund to allow for the exercise of local discretion in providing for public service needs.

- **Other State Shared Revenues** – Revenue derived from the following reimbursements: educational incentive payments made to firefighters by the City (from the State Insurance Councilor's Regulatory Trust Fund); a portion of alcoholic beverage license taxes (as received by the State, this is received from various alcoholic beverage license taxes levied on manufacturers, distributors, vendors, and sales agents of alcoholic beverages in Florida, and is administered, collected, enforced and distributed to the local governments by the Division of Alcoholic Beverages and Tobacco within the Department of Business Regulation); a portion of annual license fees from mobile homes and park trailers charged in lieu of ad valorem taxes collected by the county tax collectors which is remitted to the Department of Highway Safety and Motor Vehicles who deducts \$1.50 from each license for the State General Revenue Fund and \$1.00 for the Mobile Home Relocation Trust Fund. After the remaining proceeds are placed into the License Tax Collection Trust Fund they are remitted to local governments. Fifty percent (50.0%) is distributed to the district school board and fifty percent (50.0%) is distributed to the municipalities.
 - **Federal & State Grants** – Revenue received from the United States federal government and/or the State of Florida for local purposes. Grants are typically recorded as revenue received from specific federal or specific state government departments, agencies or grant programs. Federal Grants anticipated within the FY 19 Budget include \$42,618 from the Department of Justice. No State grants are anticipated in FY 19 within the General Fund. This revenue stream is budgeted when City departments submit budget requests during the annual budget preparation cycle and when departments receive grant awards that were not budgeted. FY 19 revenues reflect a reduction of \$471,727, or 91.7%, from FY 18 year-end estimated receipts as FY 18 included FEMA grants/reimbursements for a Fire Pumper and Hurricane Matthew-related damages.
 - **Local and Other Shared Revenue** – Revenue derived from \$566,796 in reimbursements from Brevard County for Parks Facilities. FY 19 revenues reflect a reduction of \$99,000, or 14.9%, from FY 18 year-end estimated receipts as the Brevard County School Resource Officers (SROs) grant is not included.
3. **Utility Taxes** are the third largest revenue source with \$11,523,449 (Utility Taxes and Communications Service Tax), or 15.9%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Revenue is derived from fees levied on the purchase of electricity, gas/water, fuel oil, and propane within the City limits. Revenue is received from the sellers of such items monthly in the month following the month of collection. Per Florida Statute 166.231 (Municipalities; Public Services Tax) - Utility Tax on electricity, natural gas, liquid propane, and water shall not exceed 10.0% of gross receipts; utility tax on fuel oil shall not exceed 4 cents per gallon. For ease of comparability, the New Communications Service Tax, while theoretically not a utility tax, is included in this revenue group, although shown separately graphically. Revenue streams are projected through historic trend analysis and identification of state and local economic indicators.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Florida Power & Light	7,220,000	7,375,000	155,000	2.1%
Palm Bay Utilities (Water)	1,390,000	1,420,000	30,000	2.2%
Other Utility Service Taxes	126,700	128,000	1,300	1.0%
Communication Service Tax	2,730,000	2,600,449	(129,551)	-4.7%
TOTAL	11,466,700	11,523,449	56,749	0.5%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Florida Power & Light	7,050,646	7,220,000	169,354	2.4%
Palm Bay Utilities (Water)	1,367,141	1,390,000	22,859	1.7%
Other Utility Service Taxes	112,093	126,700	14,607	13.0%
Communication Service Tax	2,569,292	2,730,000	160,708	6.3%
TOTAL	11,099,172	11,466,700	367,528	3.3%

- **Florida Power & Light** – Revenue is derived from a levy of 10.0% of gross receipts.
 - **Palm Bay Utilities (Water)** – Revenue is derived from a levy of 10.0% of gross receipts upon the City's Utilities Department.
 - **Other Utility Service Taxes** – Revenue is derived from 10.0% of gross receipts on gas and/or propane and 4 cents per gallon on fuel oil. Continued weak growth in these revenue streams that predominately are used by businesses and higher-end residential customers is projected.
 - **Communication Service Tax** – The Simplified Communications Services Law was passed in the regular session of the 2000 Florida Legislature. The law combined seven different types of communications taxes and fees into a new two-tiered tax composed of a state tax and a local option tax on communications services. The new Communication Services Tax law replaced cable and telephone franchise fees as well as all utility taxes on these communications services. This simplified law went into effect October 1, 2001. The communications services tax is imposed on retail sales of services which originate and terminate in Florida.
4. **Franchise Fees** are the fourth largest revenue source with \$5,645,000, or 7.8%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Franchise Fees are generated through agreements with specific utilities. These franchise agreements grant utilities the right to use public streets and alleyways, indirectly gives the right of eminent domain to acquisition of private property for utility facilities/access and provides some liability protection. Systems eligible for franchising include electric light and power, heating, telegraph, cable television, district telegraph and alarm, motor bus or other public transit and waterworks or gasworks. The largest payees of franchise fees to the City, in order of magnitude of annual payments, include Florida Power & Light, Waste Management, and Florida City Gas.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Florida Power & Light	5,270,000	5,350,000	80,000	1.5%
Waste Management	40,585	35,000	(5,585)	-13.8%
Florida City Gas	250,200	260,000	9,800	3.9%
TOTAL	5,560,785	5,645,000	84,215	1.5%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actual

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Florida Power & Light	5,156,938	5,270,000	113,062	2.2%
Waste Management	35,657	40,585	4,928	13.8%
Florida City Gas	248,036	250,200	2,164	0.9%
TOTAL	5,440,631	5,560,785	120,154	2.2%

- **Florida Power & Light** – Revenue derived from a 30-year contract for the non-exclusive rights of renewal for providing electricity and related services to the City on April 29, 2004.
 - **Waste Management** – Revenue derived from an agreement signed in 1996 for a 15-year term with additional automatically renewing five-year periods containing a 10.0% fee on residential and commercial bills and \$17.50 per pick-up of roll-off containers. The agreement was renewed in 2010 to create a residential solid waste program administered by the City and a separate non-exclusive roll-off container agreement.
 - **Florida City Gas** – Revenue derived from an agreement signed in 1985 for a 30-year non-exclusive rights of renewal for distributing natural gas and related services containing a 6.0% fee of total billings for the sale of gas. City Gas Company of Florida renamed itself to Florida City Gas in 2004.
5. **Charges for Service** are the fifth largest revenue source with \$4,103,312, or 5.7%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Services are grouped into the following six categories: General Government, Public Safety, Physical Environment, Transportation, Culture/Recreation, and Other Charges.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
General Government	642,144	518,005	(124,139)	-19.3%
Public Safety	203,805	166,800	(37,005)	-18.2%
Physical Environment	343,000	325,000	(18,000)	-5.2%
Transportation	218,736	217,450	(1,286)	-0.6%
Culture/Recreation	558,369	467,700	(90,669)	-16.2%
Other Charges for Services	1,879,979	2,408,357	528,378	28.1%
TOTAL	3,846,033	4,103,312	(179,144)	6.7%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actual

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
General Government	472,941	642,144	169,203	35.8%
Public Safety	214,698	203,805	(10,893)	-5.1%
Physical Environment	299,110	343,000	43,890	14.7%
Transportation	199,374	218,736	19,362	9.7%
Culture/Recreation	592,074	558,369	(33,705)	-5.7%
Other Charges for Services	1,668,052	1,879,979	211,927	12.7%
TOTAL	3,446,249	3,846,033	202,200	11.6%

- **General Government** – Revenue is derived from the following activities:
 - Zoning fees
 - Street and/or easement vacation applications
 - Sale of copies of the City documents
 - Lien research charges
 - Passport Application fees
 - Code Enforcement Board fines
 - Foreclosure application fee
- **Public Safety** – Revenue is derived from the following activities:
 - Sale of copies of the Police documents and reports
 - County support of first responders
 - Fire inspection fees from existing commercial building inspections

- Police range fees
 - Fines and fees collected from excessive false Police and Fire monitored alarm activities
- **Physical Environment** – Revenue is derived from the sale of recyclable materials.
 - **Transportation** – Revenue is derived from the following charges for services:
 - Mowing services for Brevard County, Florida Department of Transportation (FDOT), and Virginia Maintenance Services (VMS)
 - Highway lighting maintenance for FDOT
 - Traffic Signal Maintenance from FDOT
 - Swale clearing or other services
 - Right-of-way use permit fees
 - City charge backs for the cost of work performed by General Fund Public Works crews for other City Funds
 - **Culture/Recreation** – Revenue is derived from miscellaneous rentals, classes, flag football, trips, aerobics, basketball, softball, day camp, tournaments, baseball leagues, new programs, in-house labor, dances, special events, meeting rooms rental, Captain's House rental, gymnasium rental, handball/racquetball rental, ball field rental, ball field light fees, paintball sales, paintball contract payments, skate park rentals, miscellaneous sales and concessions.
 - **Other Charges for Services** – Revenue in this category is derived from charges to other City funds, listed below, for their share of administrative costs within the General Fund. Costs include internal services provided by the following departments: Legislative, Office of the City Manager, Human Resources, Finance and Communications & Information and Technology. The Finance Department annually updates the percentage of administrative costs allocated to those departments based on specific administrative service demand indicators.
 - Utilities Operating Fund
 - Building Fund
 - BCRA Fund
 - Stormwater Utility Fund
 - Solid Waste Fund
 - HANDS Combined Fund
6. **Sales, Use and Fuel Taxes** (First Local Option Fuel Tax) is the sixth largest revenue source with \$3,848,419, or 5.3%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. The only revenue stream within this grouping is the Local Option Gas tax as administered by the Florida Department of Revenue and distributed within each county on an allocation basis.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Sales, Use & Fuel Taxes	3,900,000	3,848,419	(51,581)	-1.3%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Sales, Use & Fuel Taxes	4,089,629	3,900,000	(189,629)	-4.6%

7. **(Interfund) Transfers** are the seventh largest revenue source with \$2,175,334, or 3.0%, of the General Fund's total revenues/sources for the FY 19 Approved Budget. Transfers provide the General Fund with resources from other City funds for the cost of activities budgeted within General Fund departments, but that have a direct impact upon the mission of the other funds' activities.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Transfer From	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Utilities Operating Fund	1,922,117	1,806,369	(115,748)	-6.0%
Stormwater Utility Fund	213,469	59,167	(154,302)	-72.3%
Building Fund	166,649	203,036	36,387	21.8%
Other Funds	271,531	106,762	(164,769)	-60.7%
TOTAL	2,573,766	2,175,334	(398,432)	-15.5%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Transfer From	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Utilities Operating Fund	1,310,227	1,922,117	611,890	46.7%
Stormwater Utility Fund	244,908	213,469	(31,439)	-12.8%
Building Fund	158,282	166,649	8,367	5.3%
Other Funds	126,899	271,531	144,632	114.0%
TOTAL	1,840,316	2,573,766	733,450	39.9%

Transfers from the Utility Operating Fund, the Stormwater Utility Fund and the Building Fund account for the largest portion, approximately 95.0%, of the total transfers to the General Fund for the FY 19 Approved Budget.

- **Transfers from Utilities Operating Fund** – Revenue transferred to the General Fund to support the General Fund Utilities Customer Service Division plus the transfer of the Payment In Lieu of Taxes (PILOT) which is the equivalent amount of property taxes the Utilities Department would pay if the function was privately owned.
- **Transfer from Stormwater Utility Fund** – Revenue returning funds to the General Fund for work done for liens based on FY 19 budget. The Nuisance Fund was established in FY 10 to track the cost of maintaining properties with code violations where the owners were unwilling to abate the problems.
- **Transfer from Other** (including Employee Benefits fund) – Revenue transferred to the General Fund for Miscellaneous purposes includes closing funds; Stormwater Utility Fund=; and Employee Benefits fund to transfer portions back to the Other Employee Benefits fund. FY 15 had a one-time transfer from the Road Maintenance Trust Fund to the General Fund; thereafter, the funds were transferred to the Road Maintenance CIP Fund. This occurred to remove the funds from the Trust Fund to place them into the CIP Fund.

8. **Other Revenue Sources** are the eighth largest revenue source with \$1,346,500, or 1.9% of the General Fund's total revenues/sources for the FY 19 Approved Budget.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Fines & Forfeits	408,180	391,500	(16,680)	-4.1%
Other (Licenses, Fees & Permits)	580,720	574,800	(5,920)	-1.0%
Other (Miscellaneous Revenues)	1,246,835	380,200	(866,635)	-69.5%
Capital Lease/Installment Purchases	4,363,350	0	(4,363,350)	-100.0%
TOTAL	6,599,085	1,346,500	(5,252,585)	-79.6%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Fines & Forfeits	480,379	408,180	(72,199)	-15.0%
Other (Licenses, Fees & Permits)	559,266	580,720	21,454	3.8%
Other (Miscellaneous Revenues)	1,000,610	1,246,835	246,225	24.6%
Capital Lease/Installment Purchases	0	4,363,350	4,363,350	N/A
TOTAL	2,040,255	6,599,085	4,558,830	223.4%

- **Fines & Forfeits** – Revenue derived from various sources include found or abandoned money or property, restitution, court fines and investigative cost recoveries.
- **Other (Licenses, Fees & Permits)** – Revenue derived from Board of Adjustment (BOA) application fees, flood plain permit fees, tree permit fees and business tax receipts.
- **Other (Miscellaneous Revenues)** – Revenue derived from miscellaneous sources such as the P-card (purchasing card) rebate program, electronic citations and the City's First Friday events hosted monthly.
- **Capital Lease/Installment Purchases** – Revenue derived from capital lease and/or installment purchases. FY 18 estimated year-end receipts include the Honeywell/Energy Efficiency Lease Purchase Agreement valued at \$4,363,350.

Expenditures/Uses

General Fund Summary

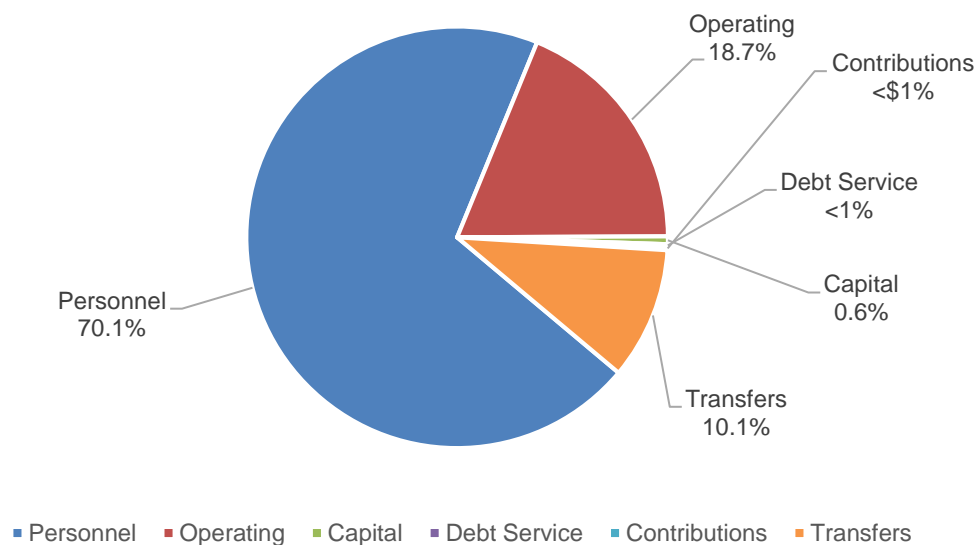
Within the General Fund, the total FY 19 budgeted expenditures/uses budgeted of 72,567,846 (including transfers) are \$3,288,501, or 4.7%, lower than the FY 18 estimated year-end receipts. Meanwhile, FY 18 estimated year-end receipts of \$69,279,345 are \$2,380,264, or 11.9%, higher than FY 17 Actuals.

Category Level Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Expenditure/Use Categories	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Personnel	46,781,797	50,859,211	4,077,414	8.7%
Operating	14,223,893	13,593,803	(630,090)	-4.4%
Capital	942,072	432,000	(510,072)	-54.1%
Debt Service	129,262	128,142	(1,120)	-0.9%
Contributions	54,825	201,500	146,675	267.5%
Transfers	7,147,496	7,353,190	205,694	2.9%
TOTAL	69,279,345	72,567,846	3,288,501	4.7%

Category Level Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Expenditure/Use Categories	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Personnel	44,379,119	46,781,797	2,402,678	5.4%
Operating	13,038,655	14,223,893	1,185,238	9.1%
Capital	828,396	942,072	113,676	13.7%
Debt Service	-	129,262	129,262	N/A
Contributions	83,807	54,825	(28,982)	-34.6%
Transfers	8,569,104	7,147,496	(1,421,608)	-16.6%
TOTAL	66,899,081	69,279,345	2,380,264	3.6%



Personnel costs are the largest category of Expenditures/Uses in the General Fund consuming 70.1% of the FY 19 Approved Budget.

On the Departmental Level, FY 19 budgeted expenditures/uses (including transfers) can be summarized as follows:

Department Level Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Expenditure/Use Departments	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Legislative	717,808	767,992	50,184	7.0%
Office of City Manager	804,756	827,548	22,792	2.8%
Office of City Attorney	615,112	575,522	(39,590)	-6.4%
Procurement	380,791	557,818	177,027	46.5%
Finance	1,344,344	1,456,781	112,437	8.4%
Communication & Info Technology	3,388,915	3,363,368	(25,547)	-0.8%
Human Resources	704,623	913,103	208,480	29.6%
Growth Management	1,352,692	1,968,182	615,490	45.5%
Economic Development	643,343	924,382	281,039	43.7%
Parks and Recreation	4,418,299	4,331,442	(86,857)	-2.0%
Facilities	2,783,521	2,932,500	148,979	5.4%
Police	19,252,670	21,285,693	2,033,023	10.6%
Fire	14,552,186	15,136,298	584,112	4.0%
Public Works	6,935,979	5,503,823	(1,432,156)	-20.6%
Transfers	7,147,496	7,353,190	205,694	2.9%
Non-Departmental	4,236,810	4,670,204	433,394	10.2%
TOTAL	69,279,345	72,567,846	1,886,189	4.7%

Department Level Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Expenditure/Use Departments	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Legislative	669,147	717,808	48,661	7.3%
Office of City Manager	707,000	804,756	97,756	13.8%
Office of City Attorney	673,629	615,112	(58,517)	-8.7%
Procurement	393,061	380,791	(12,270)	-3.1%
Finance	1,336,830	1,344,344	7,514	0.6%
Communication & Info Technology	2,446,042	3,388,915	942,873	38.5%
Human Resources	603,060	704,623	101,563	16.8%
Growth Management	1,305,443	1,352,692	47,249	3.6%
Economic Development	739,219	643,343	(95,876)	-13.0%
Parks and Recreation	4,442,971	4,418,299	(24,672)	-0.6%
Facilities	2,529,493	2,783,521	254,028	10.0%
Police	18,608,003	19,252,670	644,667	3.5%
Fire	13,834,465	14,552,186	717,721	5.2%
Public Works	6,255,644	6,935,979	680,335	10.9%
Transfers	8,569,104	7,147,496	(1,421,608)	-16.6%
Non-Departmental	3,785,970	4,236,810	450,840	11.9%
TOTAL	66,899,081	69,279,345	1,301,311	3.6%

Detailed strategic and operational information regarding Departmental budgets is provided in the Department Summaries section of this document.

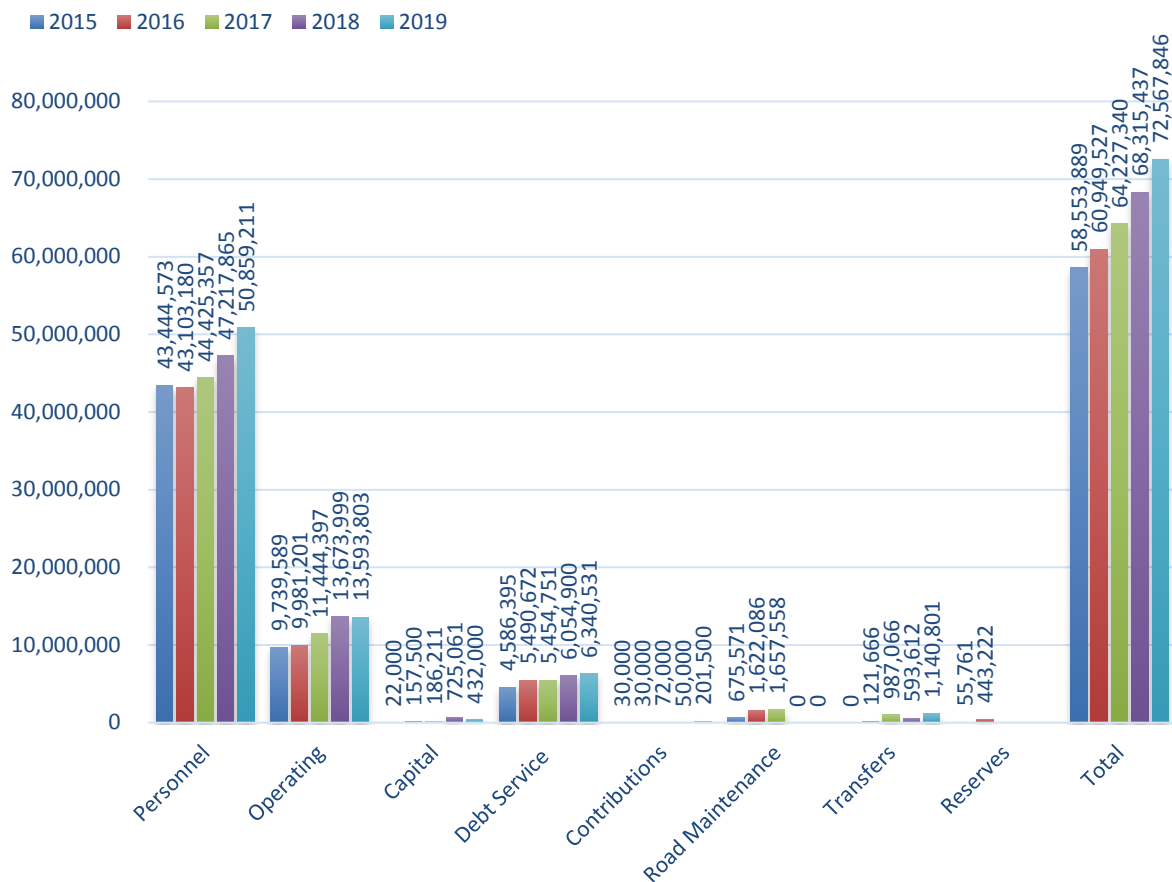
Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$14,698,469 reflects no change from the FY 18 Year-end Estimated Fund Balance. This projection is \$8,220,202 over the required minimum balance of \$6,478,266. Per the City's Fund Balance Policy, the General Fund shall maintain an Unreserved Unappropriated Fund Balance equivalent to a minimum of 10.0% of the current fiscal year expenditures less capital outlay and transfers out budgeted for the fund itself. One of the primary factors supporting a healthy fund balance, and future projections, is the City's economic development and increase in real estate values which directly contribute to a revenue growth.

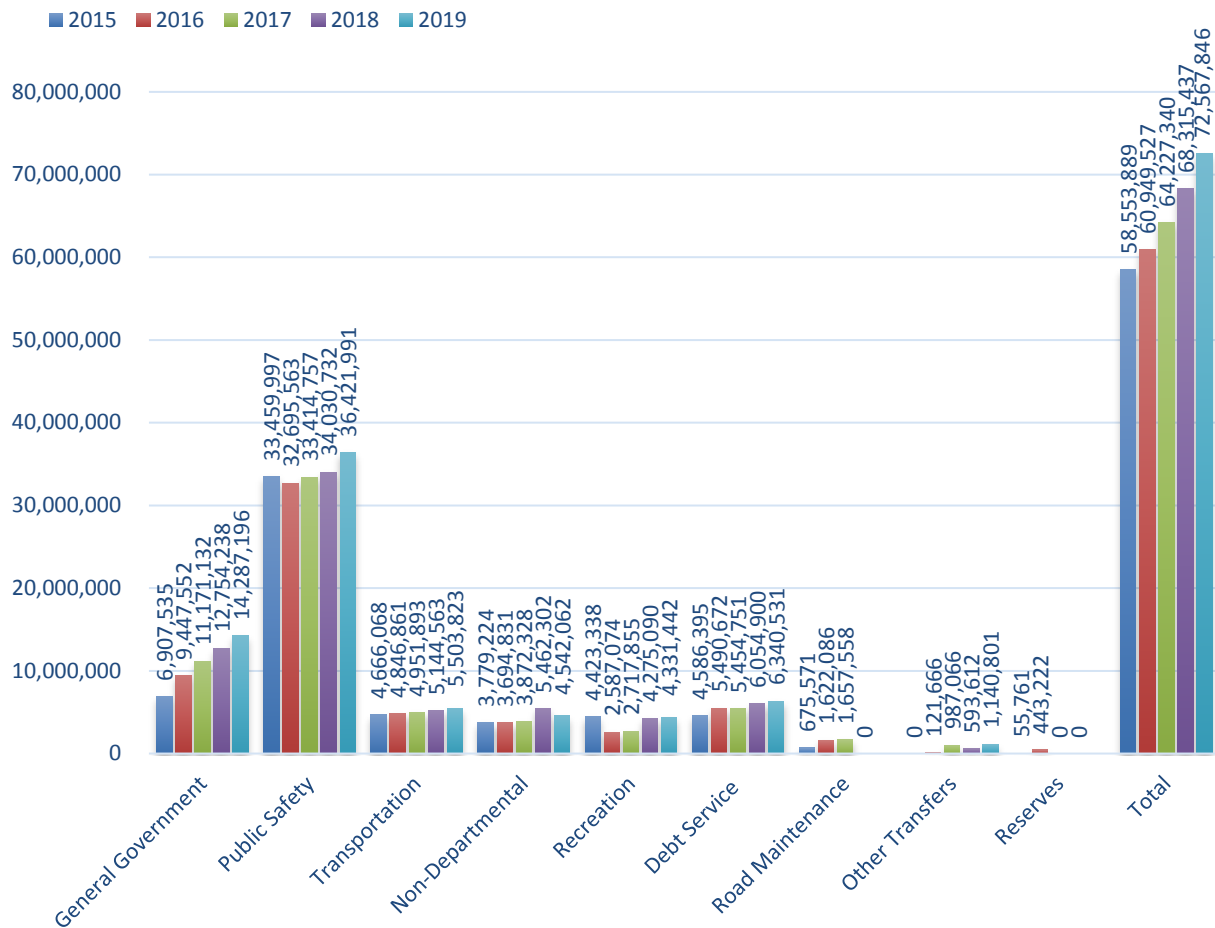
A Five-Year Adopted Budget History is reflected in the chart below and on the following page. To maintain consistency in historical reporting, the FY 19 Approved Budget transfers to the Debt Service Fund, totaling \$6,340,531, are reflected within the Debt Service Category and Group Levels under the Change in Fund Balance analysis. All previous sections include the total transfer expenditure within the Transfer category.

5-Year Adopted Budget Comparisons

Category Level Comparison



Group Level Comparison



General Government includes the following departments: Legislative, Office of the City Manager, Office of the City Attorney, Procurement, Finance, Communication & Information Technology, Human Resources, Growth Management, Economic Development and Facilities.

The Public Safety Group includes the Police and Fire departments. Transportation represents the Public Works department and Recreation represents the Parks & Recreation department. Transfers from General Fund to other Funds are broken down between transfers to the Road Program CIP Fund, Debt Funds, and Other Funds which may contain Community Investment Program Fund, Parks Facilities Fund, Fleet Fund, and Other Employee Benefit Fund.

Law Enforcement Trust Fund Summary

Law Enforcement Trust Fund - 101

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	274,598	298,807	239,812	239,812	147,095
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	99,793	-	-	39,670	-
Miscellaneous	10,067	-	-	7,873	-
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	109,860	-	-	47,543	-
TOTAL FUNDS AVAILABLE	384,458	298,807	239,812	287,355	147,095
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	144,646	65,922	175,134	140,260	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	144,646	65,922	175,134	140,260	-
Revenues Over/(Under)Expenditures	(34,786)	(65,922)	(175,134)	(92,717)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	-
Contingency Account	-	-	-	-	-
Undesignated	239,812	232,885	64,678	147,095	147,095
TOTAL ENDING BALANCE	239,812	232,885	64,678	147,095	147,095

Law Enforcement Trust Fund/LETF - 101

The LETF accounts for revenues from forfeited property as per Florida Statutes, Chapter 932. Funds are to be expended for law enforcement purposes other than normal operations. All expenditures must be approved by City Council as funding becomes available.

Revenue/Sources

Per the requirements outlined above, revenues within this fund cannot be budgeted. When fines, forfeitures or interest income are generated, the funds are deposited and recognized the next time staff requests City Council to authorize needed expenditures. The funds will be placed on the quarterly next budget amendment. An analysis of previous years' total Revenue/Sources illustrates a decreasing level of funds flowing into the fund. FY 18 projected receipts of \$47,543 are \$62,317, or 56.7%, lower than FY 17 Actuals.

Fines and Forfeitures – Revenues derived from:

- Confiscated funds from criminal investigations leading to the connection required under civil forfeiture to seize money under Florida Statutes 932.
- Settlement agreements resulting from seizing property under Florida Statutes 932.
- Federal forfeited property from the joint acquisition of seized property under the Federal Sharing Agreements.

Miscellaneous Revenue – Revenues derived from:

- Interest income on pooled cash investments. Beginning in the 1980's, the resources of all City funds available for deposit into bank accounts, or for investment purposes, have been combined in a consolidated cash pool.
- City auction proceeds from property seized and awarded under Florida Statutes 932 and sold at auction.

Due to the unknown nature of future year revenues, the City does not budget this revenue stream. Receipts are recognized when earned. Modest growth in this revenue stream is anticipated in future years as interest income collections are expected to remain high and interest rates slowly increase while auction proceeds vary from annually. Beginning in FY 16, the School Resource Officer (SRO) Grant has been recognized in the General Fund, as SROs are paid out of General Fund dollars.

The chart below reflects a five-year fiscal historical breakdown of revenue/sources received within the Fund; revenue received reflected in thousands.

Expenditures/Uses

Per requirements previously mentioned, expenditures for law enforcement purposes, other than budgeted items, must be approved per City Council. FY 18 projected total Expenditures/Uses of \$140,260 are \$4,386, or 3.0%, lower than the FY 17 Actuals. FY 19 currently is budgeted for School Crossing Guards and School Crossing Guard Supervisor.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$147,095 reflects no change from the FY 18 Year-end Estimated Fund Balance. Based on historical data it is anticipated that revenues generated through fines, forfeitures and miscellaneous items will be generated; therefore, resulting in an increased FY 19 Actual Year-end fund balance.

Nuisance Special Revenue Fund Summary

Nuisance Special Revenue Fund - 105

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	138,463	40,041	238,171	238,171	311,734
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	136,016	155,000	155,000	157,000	155,000
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	991	600	600	1,599	600
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	137,007	155,600	155,600	158,599	155,600
TOTAL FUNDS AVAILABLE	275,470	195,641	393,771	396,770	467,334
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	89,000	89,000	80,500	89,000
Economic Development	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Facilities	-	-	-	-	-
Police	31,093	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	6,206	4,536	4,536	4,536	1,869
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	37,299	93,536	93,536	85,036	90,869
Revenues Over/(Under)Expenditures	99,708	62,064	62,064	73,563	64,731
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	62,064	62,064	62,064	64,731
Contingency Account	-	-	-	-	-
Undesignated	238,171	40,041	238,171	249,670	311,734
TOTAL ENDING BALANCE	238,171	102,105	300,235	311,734	376,465

Nuisance Special Revenue Fund - 105

This Fund was created in FY 10 to account for revenues and expenditures associated with mowing and lot clearing services related to code compliance activities. Previously, these activities were handled under the umbrella of the General Fund. In FY 17, the management of the Fund was moved from the Police Department to the Growth Management Department.

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$155,600 are \$2,999, or 1.9%, lower compared to FY 18 estimated year-end receipts of \$158,599. FY 18 estimated year-end receipts are \$21,592, or 15.8%, higher than FY 17 Actuals.

Nuisance Abatement Charges – Revenues derived from:

- Lot mowing charges for correcting code violations on improved properties that the owners are unwilling to rectify within acceptable time.
- Lot clearing charges for correcting code violations on unimproved properties that the owners are unwilling to rectify within acceptable time.
- Other nuisance fees necessary to abate code violations on private property when the owner is unwilling to perform the work.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$90,869 are \$5,833, or 6.9%, higher compared to FY 18 estimated year-end projections of \$85,036. FY 18 projected total Expenditures/Uses are \$47,737, or 128.0%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$376,465 is \$64,731, or 20.8%, higher than the FY 18 Year-end Estimated Fund Balance of \$311,734. It is imperative to note that the City incurs expenses to correct nuisance violations, and property owners are invoiced for services rendered. The lag between when funds are expended and when they are paid by property owners may generate a variance in the actual fund balances reflected in this report.

HANDS (Combined) Fund Summary

Housing & Neighborhood Development Services (HANDS)

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	(199,480)	(1,137,452)	628,557	628,557	1,031,354
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,504,616	1,349,820	2,718,664	2,225,492	1,586,541
Charges for Service	299,757	-	-	189,288	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	9,097	-	-	1,583	-
Transfers	-	-	743,070	-	-
TOTAL REVENUES/SOURCES	1,813,470	1,349,820	3,461,734	2,416,363	1,586,541
TOTAL FUNDS AVAILABLE	1,613,990	212,368	4,090,291	3,044,920	2,617,895
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	985,433	1,349,820	4,764,600	2,013,566	1,410,436
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	985,433	1,349,820	4,764,600	2,013,566	1,410,436
Revenues Over/(Under)Expenditures	828,037	-	(1,302,866)	402,797	176,105
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	177,442
Contingency Account	-	-	-	-	-
Undesignated	628,557	(1,137,452)	(674,309)	1,031,354	1,030,017
TOTAL ENDING BALANCE	628,557	(1,137,452)	(674,309)	1,031,354	1,207,459

The Housing and Neighborhood Development Services/HANDS (Combined) Fund Summary consists of the following funds:

- **State Housing Grant Fund** (111) accounts for the State Housing Initiatives Partnership (SHIP) Program grant received from the State of Florida to assist low-income families.
- **Community Development Block Grant (CDBG) Fund** (112) accounts for dollars received from U.S. Department of Housing and Urban Development/HUD for specific programs related to community development.
- **HOME Investment Grant Fund** (114) accounts for the HUD grant received as a pass-through from the County to create a Home Investment Partnership program for low-income families within the City.

Revenue/Sources

Total Revenues/Sources budgeted for FY 19 of \$1,586,541 are \$829,822, or 34.3%, lower than the FY 18 estimated year-end receipts of \$2,416,363. All revenue streams unless otherwise noted, are projected by the Finance Department in conjunction with the Growth Management Department and reviewed by the City Manager. The FY 19 Approved Budget is projected based on FY 18 year-end estimates rather than the FY 18 Approved Budget levels. Comparisons to both are provided in the following detailed analysis.

Federal Grants – Revenues derived from:

- Grants from the Community Development Block Grant/CDBG which are funded through the U.S. Department of Housing and Urban Development/HUD. HUD determines the amount of entitlement by a statutory dual formula which uses several objective measures of community needs. The CDBG program is authorized for the next two years; funding is received in October and the City has two years to commit those funds.
- Grants from the HOME Investment Grant which is funded through the U.S. Department of Housing and Urban Development/HUD. Funds are allocated to the Brevard County Consortium of Governments which distributes a share of HOME dollars to the cities of Melbourne, Cocoa, Titusville and Palm Bay. HUD determines the amount of entitlement by a statutory dual formula which uses several objective measures of community needs. The allocation of HOME funds is based on a percentage that each of the consortium members receive in CDBG funding. This program is authorized for the next two years; funding is received in October and the City has two years to commit those funds.

FY 18 projected receipts of \$1,632,296 are \$743,023, or 83.6%, higher than the FY 17 Actuals of \$889,273. In comparison to the FY 18 estimated year-end receipts, the FY 19 Budget of \$1,423,848 is \$208,448, or 12.8%, lower. The FY 19 Budget will only include the current year grant funding. Any grant balance will be rolled from FY 18 to FY 19.

State Grant – Revenues derived from:

- Grants received from the State Housing Initiative Program/SHIP which is funded through the State of Florida's Housing Finance Corporation. Funding is received up-front and not on a reimbursable basis. FY 18 estimated year-end receipts of \$593,196 are \$22,147, or 3.6%, lower than FY 17 Actuals of 615,343. In comparison to FY 18 estimated year-end receipts, the FY 19 Budget of \$162,693 is \$430,503, or 72.6%, lower.

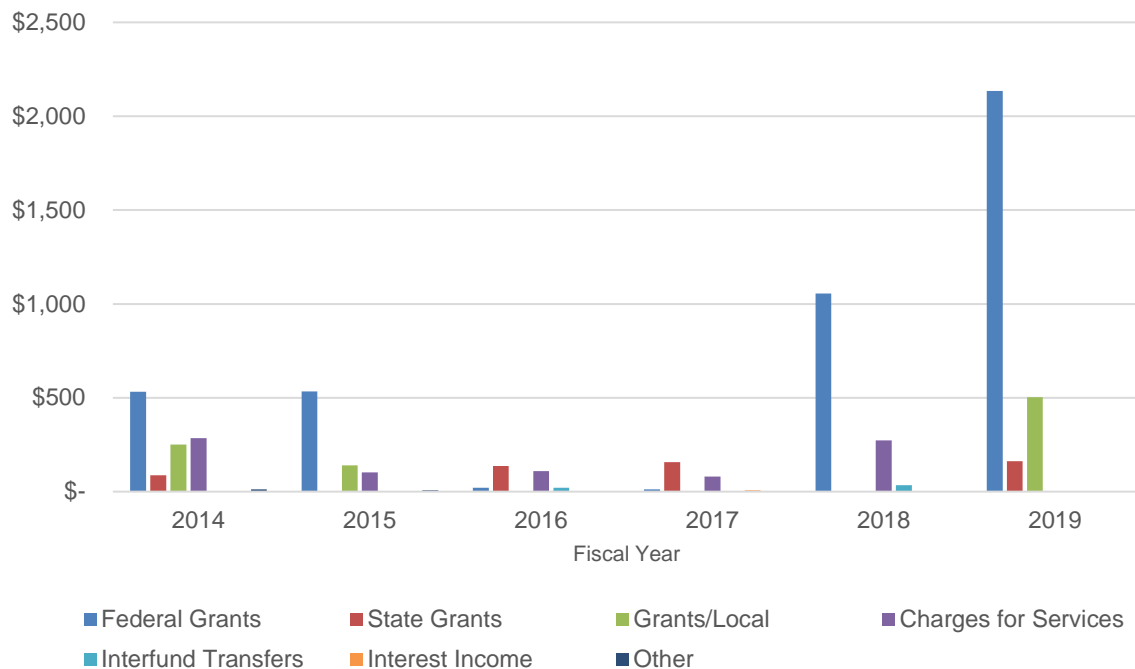
Miscellaneous Revenues – Revenues derived from:

- Program Income revenues derived from program activities.
- Interest Income derived from investment of funds not yet expended.

- Charges for Service derived from the repayment of Economic Development loans and Housing Rehabilitation loans.

FY 18 estimated year-end receipts of \$190,871 are \$117,983, or 38.2%, lower than the FY 17 Actuals. The FY 19 Budget is \$0.

The chart below reflects a five-year fiscal historical breakdown of revenue/sources received within the Fund; revenue received reflected in thousands.



Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$1,410,436 are \$603,130, or 30.0%, lower compared to FY 18 estimated year-end projections of \$2,013,566. FY 18 projected total Expenditures/Uses are \$1,028,133, or 104.3%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance, for the combined HOME funds summary, of \$1,207,459 is \$176,105, or 17.08% higher than the FY 18 Year-end Estimated Fund Balance of \$1,031,354. For FY 19, the 30.0% reduction in expenditures, primarily capital outlay, has caused an increase in the projected year-end fund balance.

Environmental Fee Fund Summary

Environmental Fee Fund - 161

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	(608,867)	(610,880)	(600,477)	(600,477)	(592,477)
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	14,890	12,500	12,500	14,500	14,800
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	14,890	12,500	12,500	14,500	14,800
TOTAL FUNDS AVAILABLE	(593,977)	(598,380)	(587,977)	(585,977)	(577,677)
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	6,500	6,500	6,500	6,500	6,500
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	6,500	6,500	6,500	6,500	6,500
Revenues Over/(Under)Expenditures	8,390	6,000	6,000	8,000	8,300
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	6,000	6,000	-	8,300
Contingency Account	-	-	-	-	-
Undesignated	(600,477)	(610,880)	(600,477)	(592,477)	(592,477)
TOTAL ENDING BALANCE	(600,477)	(604,880)	(594,477)	(592,477)	(584,177)

Environmental Fee Fund - 161

The Environmental Fee Fund was established through a mid-FY 2007 budget adjustment to pay for the initial Scrub Jay permit that enables property owners to pull permits in areas known as the endangered bird's habitat. Per federal rules and regulations, the City paid a \$656,500 initial permit and then can add a fee per acre to all master building permits which can be used for one-half of the monitoring costs. The Fund is designed to pay the debt service back to the Building Fund over a 30-plus year period. Additionally, an annual transfer to the Building Fund for one-half of the monitoring cost will be made from the Fund.

Revenues/Sources

Total Revenues/Sources budgeted for FY 19 of \$14,800 are \$300, or 2.1%, lower than FY 18 projected receipts of \$14,500. The FY 18 projected receipts are \$390, or 2.6%, lower than the FY 17 Actuals.

Charges for Services – Revenues derived from:

- Environmental Fee assessed per acre to all master building permits.
- "Other Revenue" which is an accounting offset for the contractual 50% of the monitoring cost the City is permitted to retain.

As this revenue stream is tied to the construction industry, slow growth is anticipated over the next two-year period, until the local housing industry can return to historic levels. The City Management Team re-addresses the debt service payment schedule annually as the approved budget only provides enough receipts to complete monitoring transfers (excluding the debt service payment).

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$6,500 reflect no change from FY 18 estimated year-end projections and FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of (\$584,177) is \$8,300, or 1.40%, lower than the FY 18 Year-end Estimated Fund Balance of (\$594,477). The deficit can be attributed to upfront payments of mitigation costs which are repaid with future dedicated revenue sources; a portion of the revenue is received from the issuances of building permits.

Bayfront Community Redevelopment Agency Fund Summary

Bayfront Community Redevelopment Agency Summary - 181

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	617,858	586,222	403,829	403,829	114,921
REVENUES/SOURCES:					
Property Taxes	794,446	1,229,575	1,227,365	1,227,364	1,325,553
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	91,765	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	7,426	2,900	2,900	4,382	4,000
Transfers	76	-	-	-	-
TOTAL REVENUES/SOURCES	893,713	1,232,475	1,230,265	1,231,746	1,329,553
TOTAL FUNDS AVAILABLE	1,511,571	1,818,697	1,634,094	1,635,575	1,444,474
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	636,338	731,658	864,332	795,271	854,441
Debt Service	471,404	475,383	475,383	475,383	475,112
Transfers	-	-	147,000	250,000	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	1,107,742	1,207,041	1,486,715	1,520,654	1,329,553
Revenues Over/(Under)Expenditures	(214,029)	25,434	(256,450)	(288,908)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	25,434	-	-	-
Contingency Account	-	-	-	-	-
Undesignated	403,829	586,222	147,379	114,921	114,921
TOTAL ENDING BALANCE	403,829	611,656	147,379	114,921	114,921

Bayfront Community Redevelopment Agency/BCRA - 181

Bayfront Community Redevelopment Agency/BCRA Fund accounts for revenues received from tax increment financing/TIF. Using the benchmark year of FY 99, revenue is generated by subsequent annual property valuation increase in the district for financing improvements.

Revenues/Sources

Total Revenues/Sources budgeted for FY 19 of \$1,329,553 are \$97,807, or 7.9%, higher than FY 18 projected receipts of \$1,231,746. The FY 18 projected receipts are \$338,033, or 21.9%, higher than the FY 17 Actuals. This can be attributed to an increase in property taxes.

- Ad Valorem Taxes – Revenues derived from property tax increment financing within the District. Taxing entities pay 95% of the increment each year to the district. As additional properties redevelop within the BCRA, growth in this revenue stream is expected to return. Ad Valorem Taxes generate 99.7% of the total revenues/sources within the budget.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$1,329,553 are \$191,101, or 12.6%, lower compared to FY 18 estimated year-end projections of \$1,520,654. FY 18 projected total Expenditures/Uses are \$412,912, or 37.3%, lower than the FY 17 Actuals. Debt service, totaling \$475,112, makes up 35.7% of the total expenditures/uses within the budget.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$114,921 reflects no change from the FY 18 Year-end Estimated Fund Balance.

Debt Service (Combined) Fund Summary

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	4,506,596	4,540,626	4,471,502	4,471,502	4,975,689
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	4,139,000	153,997	153,997	173,150	169,220
Transfers	6,283,599	6,784,274	6,784,274	6,784,274	7,070,069
TOTAL REVENUES/SOURCES	10,422,599	6,938,271	6,938,271	6,957,424	7,239,289
TOTAL FUNDS AVAILABLE	14,929,195	11,478,897	11,409,773	11,428,926	12,214,978
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	10,457,693	6,301,979	6,301,979	6,302,252	7,147,623
Transfers	-	-	-	150,985	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	10,457,693	6,301,979	6,301,979	6,453,237	7,147,623
Revenues Over/(Under)Expenditures	(35,094)	636,292	636,292	504,187	91,666
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	636,292	636,292	-	91,666
Contingency Account	-	-	-	-	-
Undesignated	4,471,502	4,540,626	4,471,502	4,975,689	4,975,689
TOTAL ENDING BALANCE	4,471,502	5,176,918	5,107,794	4,975,689	5,067,355

The Debt Service Fund accounts for the principal and interest payments of the following funds:

- **Debt Service Fund (201)** - Accounts for the revenues and corresponding expenditures required for the lease-purchase of capital items benefitting the entire City and/or non-enterprise/internal service funds.
- **2004 Pension Bonds Debt Service Fund (214)** – Accounts for the revenues and expenditures necessary to cover the debt service for the Taxable Special Obligation Revenues Bonds, Series 2004 that were issued for the purpose of funding the unfunded actuarial accrued liability within the Police and Fire Pension system and paying the costs of issuing the bonds. Said Bonds will be repaid in FY 2031.
- **Capital Improvement Revenue Bonds, Series 2010 (219)** – The \$5,485,000 City of Palm Bay, Florida Public Service Tax Refunding Revenue Bonds, were issued for the purpose of constructing the City Hall Annex. The bonds are payable solely from the proceeds received by the City from the Public Service Tax levied pursuant to the Public Service Tax Statute and Public Service Tax Ordinance. The City is authorized by Section 166.231, Florida Statutes, to impose, levy, and collect a tax of up to 10% upon each and every purchase of electricity, metered or bottled gas, and water service. The City is presently levying such taxes at the maximum rates.
- **Taxable Special Obligation Refunding Bonds, Series 2013 (Fund 221)** – The City of Palm Bay issued \$50,855,000 for the purposes of 1) refunding the Taxable Special Obligation (Pension Funding Project) Bonds, Series 2008, 2) terminating an interest rate hedge agreement (swap agreement), and 3) pay the costs of issuing the Series 2013 Bonds. The Series 2013 Bonds are payable from the Pledged Funds, which consists primarily of the Designated Revenues consisting of the Communications Services Tax Revenues and the Public Service Tax Revenues subject to the prior lien of the Senior Lien Bonds, with an additional pledge, if needed, of Non-Ad Valorem Revenues actually budgeted, appropriated and deposited in the Sinking Fund for the Series 2013 Bonds.
- **Local Option Gas Tax Refunding Revenue Note, Series 2014 (Fund 222)** – In April 2014, the City issued a note in the sum of \$3,885,000 for the principal purpose of advance refunding all of the City's outstanding Local Option Gas Tax Revenue Bonds, Series 2004. The note is secured through local option gas tax revenue. In May, 2004, the City issued the Series 2004 Bonds to finance certain transportation improvements within the City and to pay the costs of issuing the bonds.
- **Franchise Fee Revenue Note, Series 2015 (Fund 223)** – In 2015, the City issued a note in the sum of \$4,744,000 to fund the construction of an interchange on I-95 in south Palm Bay. The project necessitated the purchase of mitigation credits or shares in a mitigation bank. The note is secured through franchise fee revenues.
- **Community Investment Revenue Refunding Bonds, Series 2015 (Sales Tax) (Fund 224)** – In 2006, the City of Palm Bay issued debt to fund \$14,395,000 worth of capital investment projects, which included building a new joint Police/Fire District Station in the southwestern section of the City, rebuilding Fire Station #90, and to pay for 50-60 miles of road reconstruction and paving. In 2015 the City issued the Sales Tax Revenue Refunding Bonds, Series 2015, to refund the 2006 bonds and cover costs of issuance.
- **Community Investment Revenue Refunding Bonds, Series 2015 (Impact Fees) (Fund 225)** – In 2006, the City of Palm Bay issued debt to fund \$3,970,000 for road capacity/bridge replacement project at the intersection of Jupiter Blvd/Minton Road. In 2015 the City issued the Sales Tax Revenue Refunding Bonds, Series 2015, to refund the 2006 bonds and cover costs of issuance.

- **Franchise Fee Revenue Note, Series 2016 (Fund 226)** – In December 2016, the City issued a note in the sum of \$3,983,000 to partially refund the Taxable Special Obligation Bonds, Series 2004, and to cover costs of issuance.
- **Local Option Gas Tax Note, Series 2018** – In February 2018, the City issued a note in the sum of \$9,000,000 to fund a new connector road to the new I-95 interchange and pay costs of issuance.

Revenue/Sources

Total Revenues/Sources budgeted for FY 19 of \$7,408,509 are \$277,935, or 3.9%, higher than FY 18 projected receipts of \$1,231,746. The FY 18 projected receipts are \$534,975, or 8.1%, higher than the FY 17 Actuals.

All revenue streams, unless otherwise noted, are projected by the Finance Department and reviewed by the City Manager. Projections are based on the FY 18 Year-end Estimates rather than the FY 18 Approved Budget levels. Comparisons to both are provided in the following detailed analyses.

- **Interfund Transfers** – provide the Debt Service Funds with resources from other City funds (General and Transportation Impact Fee Funds in FY 19) for the cost of debt service payments. FY 19 projected receipts of \$7,070,069 are \$786,470, or 12.5% higher, than the FY 17 Actuals of \$6,283,599. In comparison to the FY 18 estimated year-end receipts, the FY 19 Approved Budget of \$7,070,069 is \$285,795, or 4.2%, higher. Future growth is assumed to increase each year from FY 19 through FY 20 as debt service payments rise.
- **Miscellaneous** – Revenues derived from a federal subsidy from Build America Bonds/BABs on the interest for the 2010 Public Service Tax Bond utilized to construct City Hall and interest earnings on pooled cash investments. Beginning in the 1980's, the resources of all City funds available for deposit into bank accounts, or for investment, have been combined in a consolidated cash pool. These pooled resources are invested as outlined by the City's Investment Policy. FY 19 projected receipts of \$169,220 are (\$3,969,780) lower than the FY 17 Actuals of \$4,139,000. This decline can be attributed to loan proceeds received in December 2016 through the Franchise Fee Revenue Note, Series 2016 (Fund 226) totaling \$3,983,000. In comparison to the FY 18 estimated year-end receipts, the FY 19 Approved Budget of is (\$3,930), or 2.3%, lower.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$7,147,623 are \$694,386, or 10.8%, lower compared to FY 18 estimated year-end projections of \$6,453,237. FY 18 projected total Expenditures/Uses are (\$4,004,456), or 38.3%, lower than the FY 17 Actuals. As previously noted, the loan proceeds received in December 2016 through the Franchise Fee Revenue Note, Series 2016 (Fund 226) totaling \$3,983,000 are contributing to the decline.

A detailed outline of the FY 19 debt service requirements, broken down by principal and interested payment requirements for debt service fund account, can be found on the following page. Please refer to Appendix A, Debt Management, for additional details about the City's debt service schedules and requirements.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance, for the combined debt service funds summary, of \$5,067,355 is \$91,666, or 1.8% higher than the FY 18 Year-end Estimated Fund Balance of \$4,975,689.

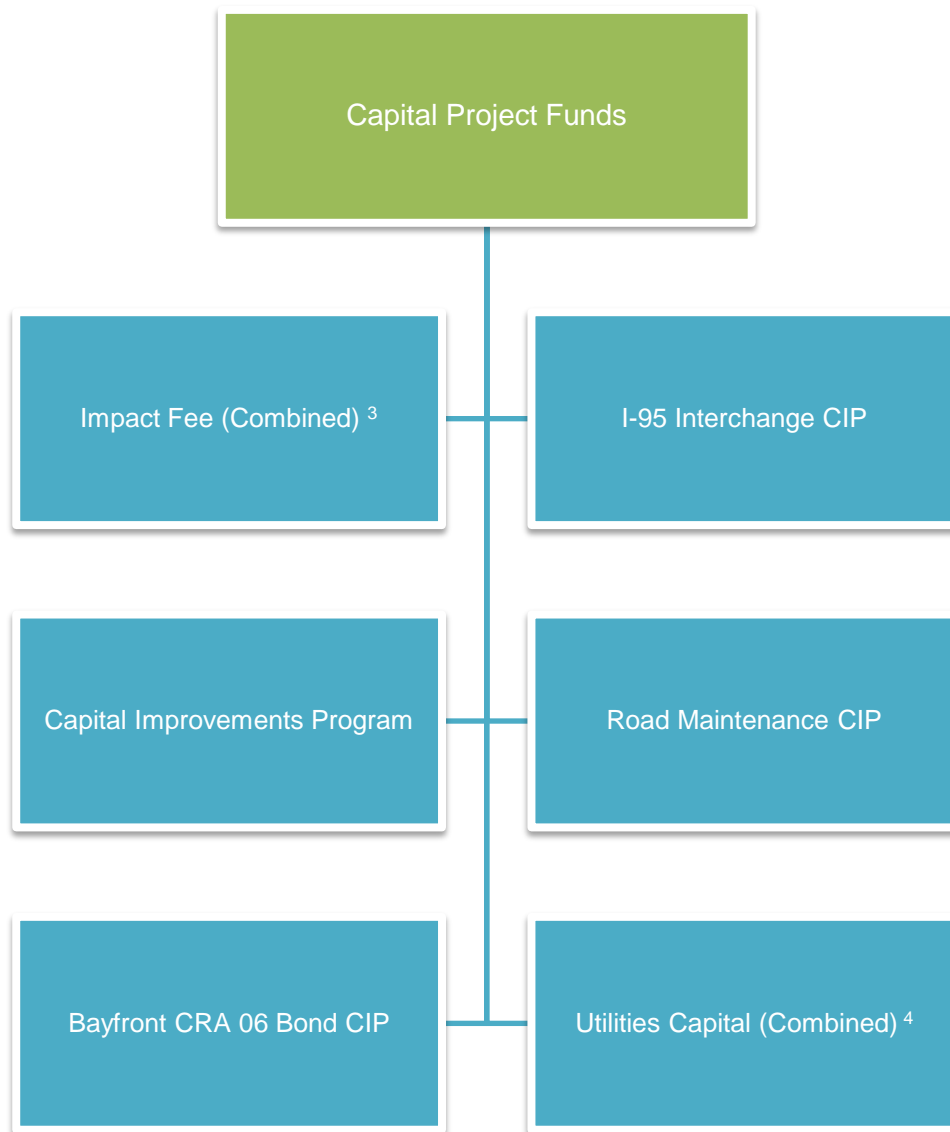
City of Palm Bay – Bond Indebtedness

FY 2019 Debt Service Requirements	PRINCIPAL	INTEREST	TOTAL DUE
Taxable Special Obligation Revenue Bonds, Series 2004	57,056	67,944	125,000
Capital Improvement Revenue Bonds, Series 2010	160,000	305,713	465,713
Pension Obligation Bonds, Series 2013	535,000	2,965,548	3,500,548
Local Option Gas Tax Refunding Revenue Note, Series 2014	608,000	19,892	627,892
Franchise Fee Revenue Note, Series 2015	450,000	76,608	526,608
Comm. Investment Revenue Bonds, Series 2015 - Sales Tax	415,520	401,531	817,051
Comm. Investment Revenue Bonds, Series 2015 - Impact Fee	114,480	110,626	225,106
Franchise Fee Revenue Note, Series 2016	150,000	155,352	305,352
Local Option Gas Tax Revenue Note, Series 2018	152,000	267,586	419,586
General Fund Advance from Building	125,262	2,880	128,142
Fleet Advance from Building	61,769	1,420	63,189
Fleet Advance from Utilities	193,060	31,788	224,848
Bayfront Comm. Redev. Trust Fund Revenue Bonds, Series 2006	375,000	96,402	471,402
Bayfront Comm. Redev. Assoc. Advance from General Fund	3,342	368	3,710
Capital Leases/Purchases	681,407	175,169	856,576
TOTAL:	\$4,081,897	\$4,678,827	\$8,760,724

Utilities Department – Please see **Proprietary Funds** section for details:

FY 2019 Debt Service Requirements	PRINCIPAL	INTEREST	TOTAL DUE
Utility System Capital Improvement Rev. Bonds, Series 2001	705,672	1,211,254	1,916,926
Utility Special Assessment Bonds USA 1, Series 2003A	175,000	35,888	210,888
Utility System Refunding Revenue Note, Series 2014	3,670,000	304,159	3,974,159
Utility System Assessment Note, Series 2016	245,000	37,873	282,873
Utility System Refunding Revenue Note, Series 2016	1,110,000	235,180	1,345,180
TOTAL:	\$5,905,672	\$1,824,354	\$7,730,026

Capital Improvements Program (CIP) Project Funds



³ **Impact Fee (Combined) Fund Summary** consists of:

- * Fund 152 - Police Impact Fees
- * Fund 153 - Fire Impact Fees
- * Fund 154 - Parks Impact Fees
- * Fund 155 - Transportation Impact Fees

⁴ **Utilities Capital (Combined) Fund Summary** consists of:

- * Fund 423 - Utilities Connections Fee Fund
- * Fund 424 - Utilities Renewal and Replacement Fund
- * Fund 425 - Main Line Extension Fee Fund
- * Fund 426 - '05B Bond Construction Fund
- * Fund 427 - '01 Bond Construction Fund
- * Fund 428 - '14 Bond Construction Fund
- * Fund 431 - Assessment USA 1 Fund
- * Fund 432 - Assessment Unit 31 Fund
- * Fund 433 - Utility SRF Loan Fund

Impact Fee (Combined) Fund Summary

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	2,483,283	2,136,850	4,084,073	4,084,073	4,953,951
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Impact Fees	2,963,442	2,235,000	3,790,670	3,180,000	3,702,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	21,601	9,350	9,350	39,751	38,750
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	2,985,043	2,244,350	3,800,020	3,219,751	3,740,750
TOTAL FUNDS AVAILABLE	5,468,326	4,381,200	7,884,093	7,303,824	8,694,701
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	281,113	160,000	708,046	607,144	-
Police	-	24,500	42,850	42,849	-
Fire	-	-	21,603	21,603	80,000
Public Works	126,221	-	2,337,109	365,170	50,000
Utilities	-	-	-	-	-
Bayfront Community Red. A	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	976,919	980,302	1,318,984	1,313,107	1,625,461
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	1,384,253	1,164,802	4,428,592	2,349,873	1,755,461
Revenues Over/(Under)Expenditures	1,600,790	1,079,548	(628,572)	869,878	1,985,289
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	1,264,048	1,264,048	-	1,985,289
Contingency Account	-	-	-	-	-
Undesignated	4,084,073	1,952,350	2,191,453	4,953,951	4,953,951
TOTAL ENDING BALANCE	4,084,073	3,216,398	3,455,501	4,953,951	6,939,240

The Impact Fee (Combined) Fund accounts for proceeds provided for the acquisition and/or improvement of four Impact Fee Funds, each dedicated for the accounting of growth-related additions of new police capital needs (Fund 152), fire capital needs (Fund 153), urban district park facilities (Fund 154), and the expansion of the City's major road network system (Fund 155).

Revenue/Sources

In FY 06 the City Council raised impact fees to address infrastructure needs. Police and Fire Impact Fees were raised to the maximum rates, while Parks and Transportation Impact Fees were raised incrementally according to a five-year plan to reach the maximum. Additionally, the fee rates will be adjusted annually for inflation by the Implicit Price Deflator for Government Consumption Expenditures and Gross Investment for State and Local Governments.

FY 18 estimated year-end receipts of \$3,219,751 are \$234,708, or 7.9%, lower than the FY 17 Actuals. In comparison to the FY 18 estimated year-end receipts, the FY 19 Budget of \$3,740,750 is \$520,999, or 16.2%, higher.

- Impact Fees – Revenue derived from fees paid by developers of unimproved land for specific infrastructural expansions and/or equipment related to Police, Fire, Parks and/or Transportation services and needs. FY 18 estimated year-end receipts of \$3,180,000 are \$216,558, or 7.3% lower, than FY 17 Actuals totaling \$2,963,442. In comparison to the FY 18 estimated year-end receipts, the FY 19 Budget of \$3,702,000 is \$522,000, or 16.4%, higher. New construction within the City indicates continued impact fee growth. Previously in FY 15, a large Harris project resulted in a significant Impact Fees increase.
- Miscellaneous/Interest Income and Interfund Transfers – Interest Income consist of interest paid to the City on impact fee revenue invested according to City policies. The level of revenue from this revenue stream has varied drastically over the past years due to fluctuations in the housing market and level of annual expenditures. FY 18 estimated year-end receipts of \$39,751 are \$18,150, or 84.0%, higher than the FY 17 Actuals totaling \$21,601. In comparison to the FY 18 estimated year-end receipts, the FY 18 Budget of \$38,750 is \$1,001, or 2.5%, lower. This revenue stream is anticipated to remain relatively constant as new projects and transportation-related debt service payments will consume available fund balance as impact fees are received.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$1,755,461 are \$594,412, or 25.3%, lower compared to FY 18 estimated year-end projections of \$2,349,873. FY 18 projected total Expenditures/Uses are \$965,620, or 69.8%, lower than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance, for the combined Impact Fee funds summary, of \$6,939,240 is \$1,985,289, or 40.1% higher than the FY 18 Year-end Estimated Fund Balance of \$4,953,951. The fund balance level is anticipated to increase as new construction activity increases.

Community Investment Program Fund Summary

Community Investment Program Fund - 301

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	312,547	462,803	317,290	317,290	183,107
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	65,058	41,114	2,417,051	424,720	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	1,076	-	-	1,500	-
Transfers	-	8,886	8,886	8,886	-
TOTAL REVENUES/SOURCES	66,134	50,000	2,425,937	435,106	-
TOTAL FUNDS AVAILABLE	378,681	512,803	2,743,227	752,396	183,107
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	61,391	50,000	2,425,937	569,289	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	61,391	50,000	2,425,937	569,289	-
Revenues Over/(Under)Expenditures	4,743	-	-	(134,183)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	-
Contingency Account	-	-	-	-	-
Undesignated	317,290	462,803	317,290	183,107	183,107
TOTAL ENDING BALANCE	317,290	462,803	317,290	183,107	183,107

Community Investment Program/CIP Fund - 301

The Community Investment Program/CIP Fund historically accounted for all non-utilities acquisitions, construction of major capital facilities or other project-oriented activities, except projects that are contained in their own fund. Starting in FY 07, only General Fund revenues, grants, and private contributions are received into this Fund and their associated projects expensed. All other capital improvement projects are accounted for within the fund that receives the funding source (i.e. Transportation Impact Fee funded projects are accounted for in the Transportation Impact Fee Fund). All projects listed within this Fund are included in the FY 19-23 CIP Summary section of this document.

Revenue/Sources

A multi-year comparison of total revenues/sources is not applicable in a CIP Fund since the revenue/source level fluctuates each fiscal year depending upon the cost of the recommended projects. Due to recent local tax reforms, enacted by the 2007 Florida Legislature and approved by state voters in 2008, no General Fund dollars are available for transfer to the CIP fund as in prior years. Specific funding source approved uses are detailed below.

- Intergovernmental Revenues (Grants) – Revenues derived from various granting agencies for specific projects. Each grant award is a one-time event and therefore makes detailed revenue source multi-year analysis difficult, if not misleading.
- Miscellaneous Income/Interfund Transfers & Interest Income – Although the CIP Fund earns interest income on revenues received from various sources (not yet expended), the uncertainty of grant award timing and project commencement/completion dates prohibits an accurate forecasting of this revenue stream. Therefore, interest income is not budgeted, but received each fiscal year with the level of annual receipts varying based upon interest rates and the amount of available fund balance.

Expenditures/Uses

A large portion of FY 18 year-end expenditures are associated with the Palm Bay Shoreline Restoration and Bus Shelter Installation projects. Expenditures/uses for the FY 19 Approved Budget have not been set. Any un-expensed funds related to CIP projects will be rolled to FY 19 via a budget amendment.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$183,107 no change from the FY 18 Year-end Estimated Fund Balance.

Bayfront Community Redevelopment Agency

06 Bond CIP Fund Summary

BCRA/06 Bond CIP Fund - 303

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	1,069,477	1,108,163	1,052,411	1,052,411	(68,092)
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	7,269	3,000	3,000	8,357	-
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	7,269	3,000	3,000	8,357	-
TOTAL FUNDS AVAILABLE	1,076,746	1,111,163	1,055,411	1,060,768	(68,092)
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	24,259	750	1,128,860	1,128,860	-
Debt Service	-	-	-	-	-
Transfers	76	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	24,335	750	1,128,860	1,128,860	-
Revenues Over/(Under)Expenditures	(17,066)	2,250	(1,125,860)	(1,120,503)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	2,250	2,250	-	-
Contingency Account	-	-	-	-	-
Undesignated	1,052,411	1,108,163	(75,699)	(68,092)	(68,092)
TOTAL ENDING BALANCE	1,052,411	1,110,413	(73,449)	(68,092)	(68,092)

BCRA 06 Bond CIP Fund - 303

The Bayfront Community Redevelopment Agency/BCRA 06 Bond Construction Fund accounts for proceeds from the BCRA Ad Valorem Tax Bonds, Series 2006 issuance. Revenues from these bond proceeds, resulting interest income, and the capital improvement expenditures are contained within this Fund. Debt service, paid from the tax-incremental financing within the BCRA, is be paid from the BCRA Fund (181).

Revenues/Sources

Bond Proceeds and Interest Income are the only two revenue sources within this Fund. Since Bond Proceeds are irregularly received (first Bond issued in FY 06), only Interest Income is anticipated as revenue in FY 19. Additionally, interest income is not typically budgeted in a capital improvement project fund unless a clear timeline of approved projects is known. FY 18 estimated year-end receipts of \$8,357 are \$1,008, or 15.0% higher, than FY 17 Actuals totaling \$7,269. The FY 19 Budget has \$0 projected revenue. Interest Income receipts are recorded as they occur, and they are added to the available fund balance for consideration of new projects or unforeseen cost overruns.

Expenditures/Uses

The FY 19 Budget of \$0, is \$1,128,860 or 100.0% lower than the FY 18 year-end estimates. FY 18 year-end projected total expenditures/uses of \$1,128,860 are significantly higher than FY 17 Actuals totaling \$24,335.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of (\$68,092) reflects no change from the FY 18 Year-end Estimated Fund Balance.

I-95 Interchange Fund Summary

I-95 Interchange Fund - 306

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	669,101	370,625	865,114	865,114	241,114
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	255,235	500	500	6,000	-
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	255,235	500	500	6,000	-
TOTAL FUNDS AVAILABLE	924,336	371,125	865,614	871,114	241,114
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	59,222	-	848,499	630,000	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	59,222	-	848,499	630,000	-
Revenues Over/(Under)Expenditures	196,013	500	(847,999)	(624,000)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	500	500	-	500
Contingency Account	-	-	-	-	-
Undesignated	865,114	370,625	16,615	241,114	240,614
TOTAL ENDING BALANCE	865,114	371,125	17,115	241,114	241,114

I-95 Interchange Fund - 306

The I-95 Interchange Fund was created in FY 2015 to account for the cost of establishing an interchange in the southern area of the City. Along with Federal and State funding, the City incurs expenditures associated with environmental permits and mitigation impacts. The new South Parkway interchange connecting to Interstate-95 was funded to begin construction in FY 2016. Upon completion, approximately 24 square miles of vacant land for will provide access to mixed-use development.

Revenue/Sources

In 2015, the City issued a Franchise Fee Revenue Note, Series 2015 in the sum of \$4,744,000. This note provided funding for the construction of an interchange connecting to Interstate-95 in southern are of Palm Bay. The note is secured through franchise fee revenues and proceeds were received in FY 2015.

Expenditures/Uses

FY 18 year-end projected total expenditures/uses for the interchange, totaling \$1,260,000, were not included in the original FY 18 Adopted Budget. Any outstanding balances related to the project will roll forward from FY 18 to FY 19.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$241,114 reflects no change from the FY 18 Year-end Estimated Fund Balance.

Road Maintenance CIP Fund Summary

Road Maintenance CIP Fund - 307

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	2,946,470	729,860	3,193,173	3,193,173	111,713
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	34,882	10,000	10,000	20,078	-
Transfers	1,976,213	-	558,796	11,000	200,000
TOTAL REVENUES/SOURCES	2,011,095	10,000	568,796	31,078	200,000
TOTAL FUNDS AVAILABLE	4,957,565	739,860	3,761,969	3,224,251	311,713
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	1,764,392	-	3,421,902	3,081,409	200,000
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	281,369	31,129	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	1,764,392	-	3,703,271	3,112,538	200,000
Revenues Over/(Under)Expenditures	246,703	10,000	(3,134,475)	(3,081,460)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	10,000	10,000	-	-
Contingency Account	-	-	-	-	-
Undesignated	3,193,173	729,860	48,698	111,713	111,713
TOTAL ENDING BALANCE	3,193,173	739,860	58,698	111,713	111,713

Road Maintenance CIP Fund - 307

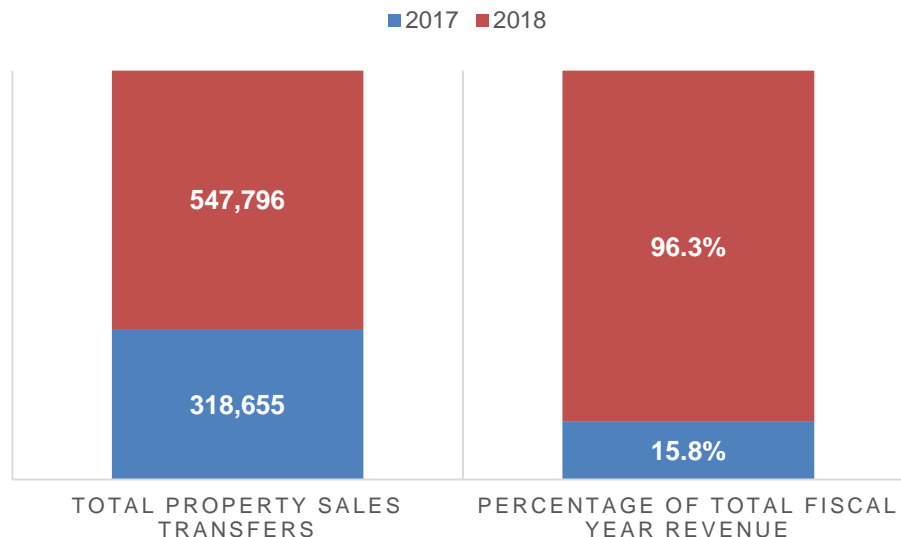
The Road Maintenance CIP Fund, established in FY 15, accounts for revenues and expenditures dedicated by the legislative body to the maintenance of roads within the City of Palm Bay. This CIP Fund was established to account for all funds transferred from the General Fund to support the Road Maintenance Program.

Revenue/Sources

Annually, the City Council decides the funding amount to be dedicated to this Fund as improving road conditions remains a top budget priority for members; thereafter, a transfer from the General Fund to the Road Maintenance CIP Fund will occur.

A transfer of \$200,000 is included in the FY 2019 Approved Budget; an increase of \$168,922 from FY 18 estimated year-end receipts totaling \$31,078. Revenue derived from city-owned property sales, finalized throughout the fiscal year, are recorded and transferred from the General Fund to the Road Maintenance CIP Fund via a quarterly Budget Amendment. In addition, un-expensed revenue from FY 18 will be used for road maintenance projects scheduled for FY 19. Revenues recorded via transfers and un-expensed funds contribute to FY 17 Actuals totaling \$2,011,095.

The chart below illustrates two-year historical city-owned property sales revenue/sources generated through interfund transfers (from the General Fund).

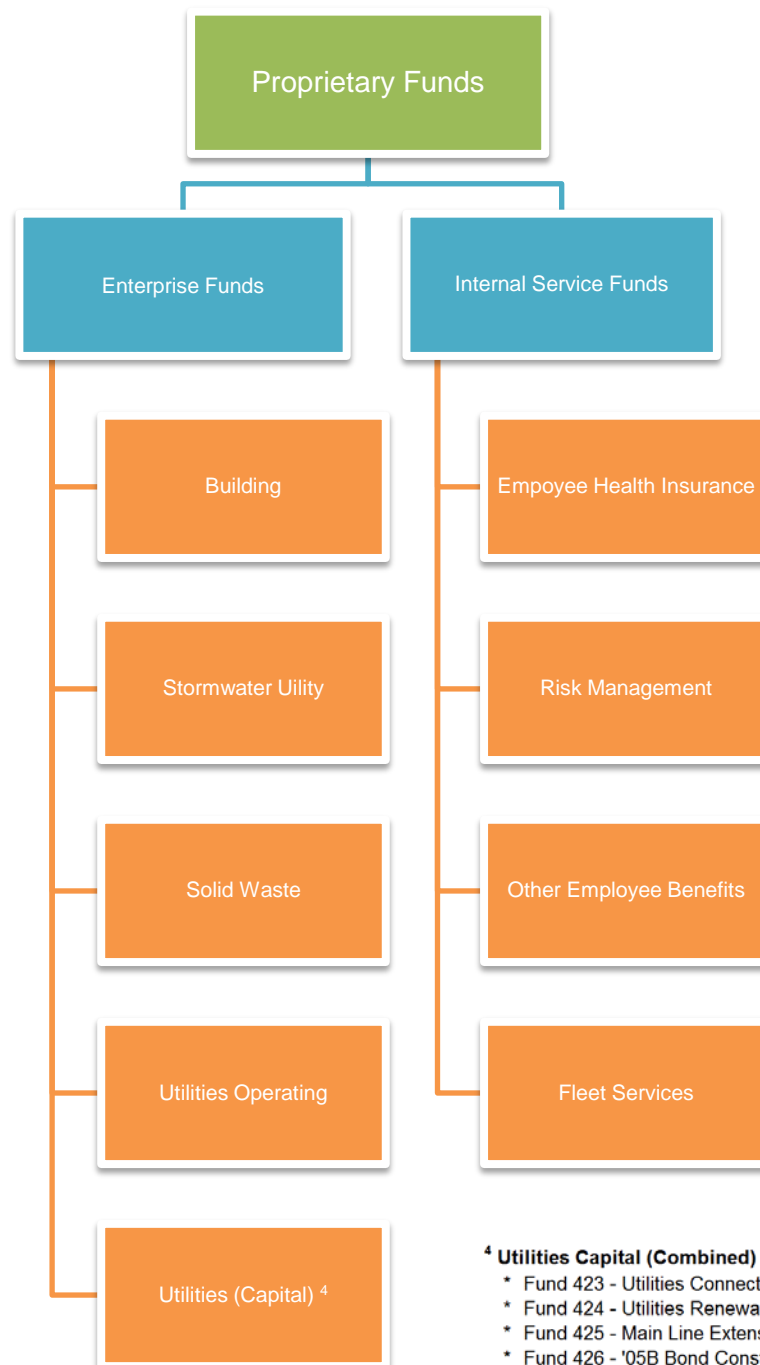


Expenditures/Uses

FY 18 estimated year-end projections of \$6,109,679 are \$2,831,356, or 86.4%, higher than FY 17 Actuals. Any city-owned property sales revenue in FY 19 will be recorded as an expenditure/use for future road maintenance projects via a quarterly Budget Amendment; specific projects have not been determined at this time.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$111,713 reflects no change from the FY 18 Year-end Estimated Fund Balance. All funds received are expected to be spent by the end of each fiscal year. Projected future fund balances are anticipated to remain near \$0 unless uncompleted and unexpended projects roll into the following fiscal year.



⁴ Utilities Capital (Combined) Fund Summary consists of:

- * Fund 423 - Utilities Connections Fee Fund
- * Fund 424 - Utilities Renewal and Replacement Fund
- * Fund 425 - Main Line Extension Fee Fund
- * Fund 426 - '05B Bond Construction Fund
- * Fund 427 - '01 Bond Construction Fund
- * Fund 428 - '14 Bond Construction Fund
- * Fund 431 - Assessment USA 1 Fund
- * Fund 432 - Assessment Unit 31 Fund
- * Fund 433 - Utility SRF Loan Fund

Utilities Operating Fund Summary

Utilities Operating Fund - 421

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	16,432,348	16,135,522	18,403,522	18,403,522	13,300,998
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	277	1,300,000	1,400,000	189,884	1,210,116
Intergovernmental	27,818	-	-	-	-
Charges for Service	27,715,350	27,772,728	27,772,728	27,948,718	28,528,799
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	286,872	209,076	209,076	351,574	238,661
Transfers	564,416	527,606	527,606	527,606	1,313,477
TOTAL REVENUES/SOURCES	28,594,733	29,809,410	29,909,410	29,017,782	31,291,053
TOTAL FUNDS AVAILABLE	45,027,081	45,944,932	48,312,932	47,421,304	44,592,051
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	15,167,602	20,796,875	22,051,253	21,799,946	19,649,123
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	3,798,627	3,799,411	3,799,411	3,799,411	3,926,989
Transfers	7,657,330	8,520,949	9,234,557	8,520,949	9,338,137
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	26,623,559	33,117,235	35,085,221	34,120,306	32,914,249
Revenues Over/(Under)Expenditures	1,971,174	(3,307,825)	(5,175,811)	(5,102,524)	(1,623,196)
ENDING BALANCE					
Adjustments	-	-	-	-	450,000
Fund Balance:					
Debt Service Reserve	1,971,174	-	-	-	-
90-Day Operating Reserve	3,840,344	4,710,210	4,907,936	4,784,213	4,944,804
Undesignated	12,592,005	8,117,487	8,319,775	8,516,785	7,182,998
TOTAL ENDING BALANCE	18,403,522	12,827,697	13,227,711	13,300,998	12,127,802

Utilities Operating Fund - 421

The Utilities Operating Fund, classified an Enterprise Fund, is used to account for utility service activities provided by the City and fully supports its operations. Associated operating revenues/sources, including water/sewer monthly usage, base facility charges, other charges for services, and miscellaneous income, are budgeted within the fund and are subject to an annual index adjustment as defined in the Code of Ordinances. Associated expenditures/uses include debt service on the 2014 Refunding Bond, personnel services, departmental operating and capital expenditures, allowance for the Renewal and Replacement Fund (Fund 424), and bonded debt service coverage as needed.

Revenue/Sources

Total FY 19 budgeted revenues/sources of \$31,291,053 (including transfers) are \$2,273,271, or 7.8%, higher from the FY 18 estimated year-end receipts. FY 18 projected year-end receipts of \$29,017,782 are \$423,049, or 1.5%, higher than the FY 17 Actuals.

In the following analysis, the major Utilities Operating Fund revenue groups are listed in order of size for the FY 19 Budget. All revenue groups, unless otherwise noted, are projected by the Utilities Department in conjunction with the Finance Department and reviewed by the City Manager. Projections are based on the FY 18 Year-end Estimates rather than the FY 18 Approved Budget levels. Unless noted, the growth assumption for FY 19 through FY 23 is at 1.25%.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Charges for Service	27,948,718	28,528,799	580,081	2.1%
Miscellaneous	541,458	1,448,777	907,319	167.6%
Transfers	527,606	1,313,477	785,871	149.0%
TOTAL	29,017,782	31,291,053	(189,161)	7.8%

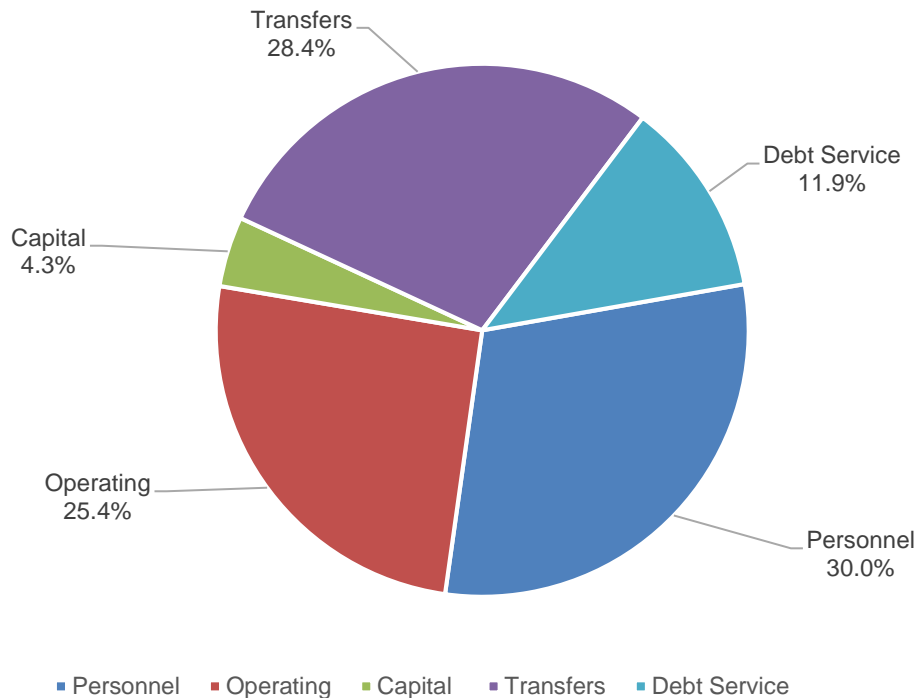
Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Charges for Service	27,715,350	27,948,718	233,368	0.8%
Miscellaneous	287,149	541,458	254,309	88.6%
Transfers	592,234	527,606	(64,628)	-10.9%
TOTAL	28,594,733	29,017,782	(189,161)	1.5%

- Charges for Services – Account for 91.2% of total revenues/sources. Future assumptions, based on historical trends and local economic and demographic forecasts include Annual Index Adjustments for water and sewer rates.
- Miscellaneous Revenue (includes Licenses & Permits) – Account for 4.6% of total revenues/sources. Future growth is dependent on varied sources of revenue within the group and the unknown timing of receiving developer contributions.
- Transfers (includes Intergovernmental) – Account for 4.2% of total revenues/sources. Transfers from the Stormwater and Solid Waste Funds are for billing services; future payments are estimated using proformas and expansion certificate guidelines. FY 17 Actuals include intergovernmental revenue for FEMA reimbursements related to personnel expenditures incurred during Hurricane Matthew.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$32,914,249 are \$1,206,057, or 3.5%, lower compared to FY 18 estimated year-end projections of \$34,120,306. FY 18 projected total Expenditures/Uses are \$2,922,767, or 9.4%, higher than the FY 17 Actuals. Unlike the General Fund where most of the expenditures are tied to personnel, the Utilities Operating Fund reflects an even distribution among the personnel, operating, and transfers categories.



Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$12,127,802 is \$1,173,196, or 8.8%, lower than the FY 18 Year-end Estimated Fund Balance of \$13,300,998. Although this represents a decrease, the City is still able to meet the minimum fund balance policy of 90 days of operating reserves of \$4,944,804.

An adjustment in the amount of \$450,000 has been made to the projected FY 19 Year-end Fund Balance for the purchase approval of a combination sewer cleaner. The Capital Improvement Program (CIP) reflects a lease purchase option versus purchasing the equipment outright. Once the combination sewer cleaner is purchased, the capital expenditure will be offset by a corresponding liability for the lease payable. When the annual lease payments (principal and interest portions) are made, the fund balance will be reduced each fiscal year by the corresponding payment amount. There is no debt service schedule available yet for a lease that is to be executed in FY19 for this equipment.

Utilities Capital (Combined) Fund Summary

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	18,287,993	11,563,329	17,126,067	17,126,067	11,648,189
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	823,697	7,340,232	745,232	922,579	804,483
Capital Contributions	2,072,222	1,822,039	1,822,039	2,648,539	2,568,930
Transfers	6,782,628	7,509,508	8,202,116	7,509,508	10,542,760
TOTAL REVENUES/SOURCES	9,678,547	16,671,779	10,769,387	11,080,626	13,916,173
TOTAL FUNDS AVAILABLE	27,966,540	28,235,108	27,895,454	28,206,693	25,564,362
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	4,823,952	11,861,567	11,830,939	11,156,917	7,615,044
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	5,080,997	3,927,911	3,990,911	3,990,911	3,902,363
Transfers	935,526	1,410,676	1,410,676	1,410,676	4,316,275
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	10,840,475	17,200,154	17,232,526	16,558,504	15,833,682
Revenues Over/(Under)Expenditures	(1,161,928)	(528,375)	(6,463,139)	(5,477,878)	(1,917,509)
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	7,848	271,096	172,650	453,995	151,366
Debt Service Reserve	2,170,250	2,170,250	2,170,250	2,170,250	2,170,250
Undesignated	14,947,968	8,588,397	8,320,028	9,023,944	7,409,064
TOTAL ENDING BALANCE	17,126,067	11,029,743	10,662,928	11,648,189	9,730,680

The Utilities Capital (Combined) Fund accounts for financial resources from dedicated revenue streams, capital improvements to the City's Water and Wastewater systems, and the principal and interest payments of various bond debt service.

- **Utilities Connection Fee Fund (423)** is used to collect connection fees on both water and sewer services and is restricted to utilities capacity-related expansion projects. Revenues and expenditures are budgeted in the Utilities Connection Fee Fund (Fund 423). Revenues in this fund are recorded as capital contributions in that they represent charges to new customers for their fair share of the capacity-related cost necessary to meet the demands put on the system by growth. The current fees were adopted by Council in August 2007 with Ordinance #2007-54 to be effective October 30, 2007, updated in 2012 by Ordinance #2012-24 and are adjusted annually by ordinance. This fund includes "pay-as-you-go" growth-related projects as approved in the 5-Year CIP. These funds may also be used to supplement debt service payments for the 2001 Revenue Bond and 2014 Refunding Bond based on the respective expansion certificates.
- **Utilities Renewal and Replacement (UTRR) Fund (424)** accounts for the receipt of 5.0% of the Utilities Operating Fund revenues to be used to repair and replace existing water and sewer facilities. Revenues are derived from Utilities Operating Fund (Fund 421) based on two factors. First, and most importantly, the 1998 Bond Issue established criteria to transfer 5.0% of gross operating revenues for renewal and replacement. Secondly, funds are transferred from the Utilities Operating Fund to address needs determined to be qualifying UTRR projects.
- **Main Line Extension Fee Fund (425)** is used to collect main line extension fees on both water and sewer services and is restricted to utilities expansion projects. In FY 99, a portion of the main line extension fees were pledged to ensure payment of the 1998 Utility Expansion Revenue Bonds and subsequently the 2005B Refunding Bond. Revenues and expenditures are budgeted in the Utilities MLE Fund (Fund 425). Revenues in this fund cover the cost of the water distribution and sewer collection infrastructure expansion programs. The fees were established in 1995 by Ordinance #95-23, updated in 2004 by Ordinance #2004-78 and in 2013 by Ordinance #2013-34. This fund includes "pay-as-you-go" line extension projects, infrastructure expansion programs as approved by Council, and provides for debt service coverage on the 2005B Refunding Bond project for infrastructure expansion in Units (Port Malabar Subdivisions) 9, 7, and 13.
- **05B Bond Debt Service Fund (426)** is used to account for the Series 2005B refunding bond. Originally the "98 Bond Construction Fund," bond proceeds provided funding for the expansion of water and sewer to Units (Port Malabar Subdivisions) 9, 7, and 13. The project consisted of Phase I of a planned multiphase capital expansion program to provide localized water and wastewater facilities necessary to bring City water and sewer services to platted lots not currently served. The Series 98 Bonds were refunded with the Utility System Refunding Revenue Series 2005B, September 2005 and hence the name was changed to reflect the refunding.
- **01 Bond Construction Fund (427)** is used to account for the Series 2001 revenue bond proceeds of \$21,311,958.45 to make certain improvements to the water portion of the City's water and wastewater utilities system (specifically the South Regional Water Treatment Facility - SRWTF). The project consists of construction of exploratory wells, development of the production well field, construction of the initial phase of the water treatment plant, deep injection well system, and various general improvements to the transmission system.
- **04 Bond Construction Fund (428)** is used to account for the Series 2014 Refunding bond to acquire and construct improvements to the City's utility system.
- **USA-1 Special Assessment Fund (431)** is used to account for the special assessments including \$3,535,000 to finance the cost of designing and installing certain potable water transmission, localized distribution and wastewater collection facilities together with necessary road and drainage restoration within the portion of the City designated as USA-1 (specifically Unit 38/40). This

assessment was the result of a favorable response to balloting property owners in the “USA-1” area for a special assessment program.

- **USA-31 Special Assessment Fund (Fund 432)** is used to account for the special assessments including \$3,935,000 to finance the cost of designing and installing certain potable water transmission and localized distribution within the portion of the City designated as USA-31 (specifically Unit 31). This assessment was the result of a favorable response to balloting property owners in the “USA-31” area for a special assessment program.
- **Utility SRF Loan Fund (Fund 433)** is used to account for the water and wastewater infrastructure projects funded by low-interest loans through the State Revolving Fund Loan Program. The program is a federal-state partnership administered by the Florida Department of Environmental Protection.

Revenue/Sources

FY 18 estimated year-end receipts of \$11,080,626 are \$1,402,079, or 14.5%, higher than the FY 17 Actuals totaling \$9,678,547. In comparison to the FY 18 estimated year-end receipts, the FY 19 Budget of \$13,916,173 is \$2,835,547, or 25.6%, higher.

Unless otherwise noted, all revenue groups in the Utilities Capital (Combined) Fund are projected by the Utilities Department in consultation with the Finance Department and reviewed by the City Manager. Projections are developed from the FY 18 projected year-end estimated receipts rather than the FY 18 Approved Budget levels. Comparisons to the estimated year-end receipts are provided in the following detailed analysis.

Comparison of FY 19 Approved Budget to FY 18 Estimated Year-End Receipts

Revenue/Source Type	FY 18 Estimated	FY 19 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Transfers	7,509,508	10,542,760	3,033,252	40.4%
Capital Contributions	2,648,539	2,568,930	(79,609)	-3.0%
Miscellaneous	922,579	804,483	(118,096)	-12.8%
TOTAL	11,080,626	13,916,173	(189,161)	25.6%

Comparison of FY 18 Estimated Year-End Receipts to FY 17 Actuals

Revenue/Source Type	FY 17 Actual	FY 18 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Transfers	6,782,628	7,509,508	726,880	10.7%
Capital Contributions	2,072,222	2,648,539	576,317	27.8%
Miscellaneous	823,697	922,579	98,822	12.0%
TOTAL	9,678,547	11,080,626	(189,161)	20.0%

(Interfund) Transfers – Account for 75.8% of total revenues/sources. Revenues derived from transfers among Utilities funds for the following purposes:

- Interest earnings on debt service reserves carried in the Utilities Operating Fund which were originally funded by connection fees are transferred back annually to the Utilities Connection Fee Fund.
 - Interest earnings on debt service reserves carried in the Utilities 04 and 05B Bond Construction Funds which were originally funded by connection fees are transferred back annually to the Utilities connection Fee Fund.
- Shifting a portion of the debt service payment from the Main Line Extension Fee Fund to the Utilities Operating Fund.
- Funding a debt service reserve due to the bond insurer downgrading off-set by an increase in the debt service payment.
- Transfer to fund debt service payments.

Capital Contributions – Account for 18.5% of total revenues/sources. Revenues derived from:

- Water Connection Fees – Charge to new water customers for their fair share of the capital costs of the existing system or the cost of increasing the capacity of the system to meet additional demand created by connections of new customers.
- Sewer Connection Fees – Charge to new sewer customers for their fair share of the capital costs of the existing system or the cost of increasing the capacity of the system to meet additional demand created by connections of new customers
- Capital Charge Recovery – Water – Charge to water customers who did not pay water connection fees and are not specifically exempt from paying.
- Capital Charge Recovery – Sewer – Charge to sewer customers who did not pay sewer connection fees and are not specifically exempt from paying.
- Main Line Extension Fee - Water – Charge to new water customers to cover the costs associated with installing water distribution infrastructure.
- Main Line Extension Fee – Sewer – Charge to new wastewater customers to cover the costs associated with installing wastewater collection infrastructure.

Miscellaneous – Account for 5.8% of total revenues/sources. Revenues derived from:

- Assessments – Revenues derived from property owner voted special assessments for the extension of utilities in areas known as “USA-1” and “USA-31.”
- Interest Income – Revenue earned on investment of cash. Future assumptions include slight increases in interest rates and projected decline in fund balance through FY 19.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$15,833,682 are \$724,822, or 4.4%, lower compared to FY 18 estimated year-end projections of \$16,558,504. FY 18 projected total Expenditures/Uses are \$4,993,207, or 46.1%, higher than the FY 17 Actuals.

Expenditures/Uses with the FY 19 Budget are primarily comprised of capital projects (budgeted within both operating and capital accounts); 62.8% of uses are dedicated to capital expenditures. In addition, repairs and maintenance item operations, transfers, and debt service payments funding account for the remaining expenditures.

The FY 19 capital category is comprised of the following funding:

5-Year Capital Improvement Plan Schedule of Estimated Expenditures

	Schedule of Estimated Expenditures					Total Project Cost
	FY 19	FY 20	FY 21	FY 22	FY 23	
Utilities	7,953,154	5,600,337	3,560,295	21,553,716	7,462,210	46,129,712

Utility Funding Source Details

Funding Source	FY 19
Operating Fund	Utilities 1,401,565
Connection Fee Fund	Utilities 109,109
Renewal & Replacement Fund	Utilities 6,283,328
Main Line Extension	Utilities 159,152
Total Utility Department	7,953,154

A detailed and itemized list of capital category projects impacting FY 19 expenditures can be located in Appendix B - Capital Improvement Program (CIP) of this document.

Change in Fund Balance

The FY 19 projected Year-end Fund Balance of \$9,730,680, is \$1,917,509, or 16.5%, lower than the FY 18 Year-end estimated Fund Balance of \$11,648,189. Despite expenditures outpacing revenues for the Utility combined capital funds, it signals a positive trend as open projects carried infor FY 19 are being completed and new projects that impact future fund balance levels are started. This trend is expected to continue in the future.

Building Fund Summary

Building Fund - 451

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	2,021,573	2,376,910	2,799,091	2,799,091	2,062,825
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	2,035,597	1,639,624	2,794,417	1,810,000	1,671,644
Intergovernmental	-	-	-	-	-
Charges for Service	55,916	59,711	39,711	48,653	58,231
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	41,262	29,064	29,064	49,784	44,064
Transfers	6,500	6,500	38,649	6,500	6,500
TOTAL REVENUES/SOURCES	2,139,275	1,734,899	2,901,841	1,914,937	1,780,439
TOTAL FUNDS AVAILABLE	4,160,848	4,111,809	5,700,932	4,714,028	3,843,264
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	1,203,475	1,622,329	2,477,651	2,484,554	2,026,683
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	158,282	166,649	202,814	166,649	203,036
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	1,361,757	1,788,978	2,680,465	2,651,203	2,229,719
Revenues Over/(Under)Expenditures	777,518	(54,079)	221,376	(736,266)	(449,280)
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	221,376	-	356,399
Contingency Account	-	-	-	-	-
Undesignated	2,799,091	2,322,831	2,799,091	2,062,825	1,257,146
TOTAL ENDING BALANCE	2,799,091	2,322,831	3,020,467	2,062,825	1,613,545

Building Fund - 451

The Building Fund, established in FY 04, accounts for all building-related activities within the City, whether in the Building Fund itself or in a supporting role within the General Fund. Revenues are generated primarily by user licenses and permits, while personnel costs are the major expenditure category. The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$1,780,439 are \$134,498, or 7.0%, lower compared to FY 18 estimated year-end receipts of \$1,914,937. FY 18 estimated year-end receipts are \$224,338, or 10.5%, lower than FY 17 Actuals.

All revenue groups in the Building Fund, unless otherwise noted, are projected by the Finance Department in conjunction with the Building Official and Growth Management Director, and thereafter reviewed by the City Manager. Projections are based off the FY 18 Year-end Estimates rather than the FY 17 Approved Budget levels. Comparisons to both are provided in the following detailed analyses.

Building Permits – Revenues derived from:

- Building permits, recall inspections and plan check fees.

Charges for Services – Revenues derived from:

- Engineering plan fees and administrative fees.

Miscellaneous Revenues and Interfund Transfers – Revenues derived from:

- Interest earnings on pooled cash investments, city auction proceeds, applied forfeitures and other miscellaneous revenues.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$2,229,719 are \$421,484, or 15.9%, lower compared to FY 18 estimated year-end projections of \$2,651,203. FY 18 projected total Expenditures/Uses are \$1,289,446, or 94.7%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$1,613,545 is \$449,280, or 21.8%, lower than the FY 18 Year-end Estimated Fund Balance of \$2,062,825. License and permit revenue for the FY 19 Approved Budget are cautiously projected based on previous fiscal year-end estimates. Historical trends do show that actual revenue recorded in previous fiscal years is higher than anticipated; therefore, it is anticipated that the FY 19 Year-end Fund Balance will exceed \$1.6 million. In addition, one-time building software expenditures within FY 18 contributed to a decline in the projected FY 19 beginning balance.

Stormwater Utility Fund Summary

Stormwater Fund - 461

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	610,526	(724,233)	110,046	110,046	2,396,351
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	36,844	36,500	36,500	46,792	56,500
Intergovernmental	236,604	-	777,648	944,020	-
Charges for Service	3,601,126	13,000	337,214	530,428	92,620
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	13,381	11,869,757	11,869,757	11,366,759	9,756,033
Capital Contributions	-	-	-	-	-
Transfers	-	-	308,329	-	310,543
TOTAL REVENUES/SOURCES	3,887,955	11,919,257	13,329,448	12,887,999	10,215,696
TOTAL FUNDS AVAILABLE	4,498,481	11,195,024	13,439,494	12,998,045	12,612,047
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	4,085,437	8,732,428	11,721,601	10,357,813	10,155,715
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	1,868	-	-	-	-
Transfers	301,130	232,881	243,881	243,881	59,167
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	4,388,435	8,965,309	11,965,482	10,601,694	10,214,882
Revenues Over/(Under)Expenditures	(500,480)	2,953,948	1,363,966	2,286,305	814
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	2,953,948	2,953,948	(311,271)	814
Contingency Account	-	-	-	-	-
Undesignated	110,046	(724,233)	(1,479,936)	2,707,622	2,396,351
TOTAL ENDING BALANCE	110,046	2,229,715	1,474,012	2,396,351	2,397,165

Stormwater Utility Fund - 461

The establishment of the Stormwater Utility Fund in FY 11 provided dedicated funding for stormwater related activities and separate tracking of revenues and expenditures that were historically a part of the General Fund. Revenues to the Stormwater Utility are based upon a rate of \$4.47/month per equivalent residential unit (ERU) (as set in CoO Chapter 174, Floodplain and Stormwater Management) and a fee reconsidered each year by ordinance. Vacant land is charged a reduced rate compared to developed land. In addition, funding is included to address failed drainage structures within the City.

A referendum item, approved by the electorate in November 2016, granted City Council the power to levy special assessments for (1) construction, repair, and maintenance of roadways and all appurtenant facilities and infrastructure, and (2) construction, repair, and maintenance of Stormwater and wastewater management facilities, water supply and distribution systems, canals, and all appurtenant infrastructure. The FY 19 Budget reflects the adding of a Stormwater Assessment to the tax bills, at a higher rate. Along with the increased rate, including the Stormwater Fee on the tax bill guarantees collections and provides additional funding to alleviate some of the Stormwater infrastructure needs the City did not have funding to meet.

The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$10,215,696 are \$2,672,303, or 20.7%, lower compared to FY 18 estimated year-end receipts of \$12,887,999. FY 18 estimated year-end receipts are \$9,000,044, or 231.5%, higher than FY 17 Actuals (supported by the previously mentioned tax bill inclusion).

The largest revenue stream within the FY 19 Budget is Stormwater Assessments. Other revenue sources include Charges for Services-Engineering Plan Fees and Applied Forfeitures. Revenue derived from Interest Income is not budgeted; however, will be added as receipts are recognized. FY 19 revenues were projected by the Public Works Department and are reviewed by the City Manager.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$8,965,309 are \$1,636,385, or 15.4%, lower compared to FY 18 estimated year-end projections of \$10,601,694. FY 18 projected total Expenditures/Uses are \$5,292,800, or 99.7%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$2,397,165 is \$814 higher than the FY 18 Year-end Estimated Fund Balance of \$2,396,351.

Solid Waste Fund Summary

Solid Waste Fund - 471

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	678,125	856,644	968,918	968,918	896,523
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	5,702,699	5,600,000	5,600,000	5,817,050	5,967,794
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	56,617	7,000	7,000	61,330	61,000
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	5,759,316	5,607,000	5,607,000	5,878,380	6,028,794
TOTAL FUNDS AVAILABLE	6,437,441	6,463,644	6,575,918	6,847,298	6,925,317
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	5,343,915	5,327,717	5,546,351	5,577,402	5,511,556
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	34,191	303,277	303,277	303,277	303,278
Transfers	90,417	70,096	70,096	70,096	72,361
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	5,468,523	5,701,090	5,919,724	5,950,775	5,887,195
Revenues Over/(Under)Expenditures	290,793	(94,090)	(312,724)	(72,395)	141,599
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	141,599
Contingency Account	-	-	-	-	-
Undesignated	968,918	762,554	656,194	896,523	896,523
TOTAL ENDING BALANCE	968,918	762,554	656,194	896,523	1,038,122

Solid Waste Fund - 471

The establishment of the Solid Waste Fund (formerly known as the Sanitation Fund) in FY 11 created a residential solid waste collection system administered by the City in partnership with Waste Management. Through the restatement of the Waste Management Franchise Agreement, the City will pay Waste Management \$10.05/month per residential unit served. Additionally, the City will have debt service relating to the acquisition of 76,000 64-gallon solid waste carts. Revenue to the Solid Waste Fund is based upon a rate of \$12.30/month per residential unit for FY 19 which remained the same as FY 17 (CoO Section 150.53).

The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$6,028,794 are 150,414, or 2.6%, higher compared to FY 18 estimated year-end receipts of \$5,878,380. FY 18 estimated year-end receipts are \$119,064, or 2.1%, higher than FY 17 Actuals.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$5,887,195 are \$63,580 or 1.1%, lower compared to FY 18 estimated year-end projections of \$5,950,775. FY 18 projected total Expenditures/Uses are \$482,252, or 8.8%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$1,038,122 is \$141,599, or 15.8%, higher than the FY 18 Year-end Estimated Fund Balance of \$896,523. An increase in residential units, due to the economic growth the City is experiencing, can be attributed to the steady incline in Year-end Fund Balance as additional revenue is recorded on a monthly basis.

Employee Health Insurance Fund Summary

Employee Health Insurance Fund - 511

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	673,680	457,220	1,084,952	1,084,952	4,306,319
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	10,455,706	12,220,944	12,220,944	11,716,261	13,737,686
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	865,166	-	1,475,497	1,486,895	-
Transfers	302,206	-	-	-	-
TOTAL REVENUES/SOURCES	11,623,078	12,220,944	13,696,441	13,203,156	13,737,686
TOTAL FUNDS AVAILABLE	12,296,758	12,678,164	14,781,393	14,288,108	18,044,005
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	11,211,806	12,220,944	12,220,944	9,981,789	15,467,927
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	-	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	11,211,806	12,220,944	12,220,944	9,981,789	15,467,927
Revenues Over/(Under)Expenditures	411,272	-	1,475,497	3,221,367	(1,730,241)
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	1,475,497	-	-
Contingency Account	-	-	-	-	-
Undesignated	1,084,952	457,220	1,084,952	4,306,319	2,576,078
TOTAL ENDING BALANCE	1,084,952	457,220	2,560,449	4,306,319	2,576,078

Employee Health Insurance Fund - 511

The Employee Benefits Fund, which accounted for expenses incurred for the insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan for City employees, was split into two separate Funds in FY 11. The Employee Health Insurance Fund accounts for the City's self-insured employee health insurance program, while the Other Employees Benefits Fund (513) accounts for all other benefits. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates. The minimum Fund Balance Policy is set by the actuarial projected cost of two-months of claims.

Revenue/Sources

Total FY 19 budgeted revenues/sources of \$13,737,686 are \$534,530, or 4.0%, higher from the FY 18 estimated year-end receipts. FY 18 projected year-end receipts of \$13,203,156 are \$1,580,078, or 13.6%, higher than the FY 17 Actuals. All revenue streams, unless otherwise noted, in the Employee Health Insurance Fund are projected by the Human Resource Office and reviewed by the City Manager. Projections are based off the FY 18 Year-end Estimates rather than the FY 17 Budget levels.

It is important to note that most revenues/sources utilized by the Fund are generated through premium charges to the departments. A total of \$11,032,933, or 80.3%, of the total FY 19 budgeted revenues/sources are derived from these premiums.

Premiums from Departments – Revenues derived from:

- Interfund Charges to departments with full-time employees. The amount charged to each department is usually based upon the amount needed to balance the fund to desired fund balance level and then divided by the number of employees.

Charges for Services – Revenues derived from:

- Voluntary employee paycheck deductions in exchange for elected benefits, such as family coverage or premium employee and/or family health insurance. Revenues are also derived from former employees, payments for continuation of health insurance benefits generally for 18 months for qualifying events due to employment termination or reduction of hours of work.
- Future growth patterns in this revenue stream are difficult to forecast due to the volatility of employees' health insurance elections and the number of eligible employees.

Transfers – Revenues derived from:

- Interfund transfers occurring as a Revenue Source.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$15,467,927 are \$5,486,138, or 55.0%, higher compared to FY 18 estimated year-end projections of \$9,981,789. FY 18 projected total Expenditures/Uses are \$11,230,017, or 11.0%, lower than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$2,576,078 is \$1,730,241, or 40.2%, lower than the FY 18 Year-end Estimated Fund Balance of \$4,306,319. Expenditures related to employee health insurance claims paid out to the City's health care provider are a large portion of the previously discussed uses within the fund.

Risk Management Fund Summary

Risk Management Fund - 512

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	(191,034)	2,064,943	223,151	223,151	409,512
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	3,933,329	4,120,132	4,120,132	4,120,132	4,289,086
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	1,477,710	12,000	191,949	258,069	-
Transfers	-	-	-	-	-
TOTAL REVENUES/SOURCES	5,411,039	4,132,132	4,312,081	4,378,201	4,289,086
TOTAL FUNDS AVAILABLE	5,220,005	6,197,075	4,535,232	4,601,352	4,698,598
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	4,996,854	4,132,132	4,142,838	4,191,840	4,289,086
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	-	-	25,660	-	-
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	4,996,854	4,132,132	4,168,498	4,191,840	4,289,086
Revenues Over/(Under)Expenditures	414,185	-	143,583	186,361	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	151,459	7,170	-
Contingency Account	-	-	-	-	-
Undesignated	223,151	2,064,943	215,275	402,342	409,512
TOTAL ENDING BALANCE	223,151	2,064,943	366,734	409,512	409,512

Risk Management Fund - 512

The Risk Management Fund accounts for the expenses incurred for workers' compensation claims, general and auto liability claims, property claims, and the related administrative expenses to operate the City's Risk Management program. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates. Beginning in FY 07, the Fund Balance was set based upon actual costs of past claims experience and excess insurance coverage costs. In 2015 the oversight of the Risk Management Fund transitioned from the Human Resource Department to the Office of the City Attorney.

As of October 1, 2015, the City of Palm Bay is self-insured. The City maintains a sovereign immunity cap for general liability claims of \$200,000 per claimant/\$300,000 per incident. Workers' compensation does not have a sovereign immunity cap. For all claims from October 1, 2010 to September 30, 2015, the City was fully insured with Florida Municipal Insurance Trust. For general liability claims that arose during that time, the self-insured retention (SIR) is \$100,000. All Workers' Compensation claims that arose during that time period are fully insured from first dollar.

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$4,289,086 are \$89,115, or 2.0%, lower compared to FY 18 estimated year-end receipts of \$4,378,201. FY 18 estimated year-end receipts are \$1,032,838, or 19.1%, lower than FY 17 Actuals. All revenue streams, unless otherwise noted, in the Risk Management Fund are projected by the Office of the City Attorney and reviewed by the City Manager. Projections are based on the FY 18 Year-end Estimates rather than the FY 18 Approved Budget levels.

Premiums – Revenues derived from:

- Premiums for self-insured lines of property, auto, general liability and workers' compensation.

Other Revenues – Revenues derived from:

- Interest earnings on pooled cash investments.
- The purchase of "excess" insurance to limit the adverse financial impact to the City because of an unusually large loss or an unexpectedly long series of small losses. The City has elected to retain a portion of the total risk exposure (self-insured retention – SIR) to reduce the overall cost of the insurance program.
- The pursuit of subrogation and recovery for property and vehicle damage as well as workers' compensation expenses that result from the negligence of another party.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$4,298,124 are \$106,284, or 2.5%, higher compared to FY 18 estimated year-end projections of \$4,191,840. FY 18 projected total Expenditures/Uses are \$805,014, or 16.1%, lower than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of \$409,512 reflects no change from the FY 18 Year-end Estimated Fund Balance.

Other Employee Benefits Fund Summary

Other Employee Benefits Fund - 513

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	(113,323)	26,773	4,039	4,039	(265,444)
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Service	2,723,174	2,949,168	2,949,168	2,941,454	3,692,593
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	52,270	50,000	50,000	375,327	-
Transfers	212,206	11,027	11,027	11,027	-
TOTAL REVENUES/SOURCES	2,987,650	3,010,195	3,010,195	3,327,808	3,692,593
TOTAL FUNDS AVAILABLE	2,874,327	3,036,968	3,014,234	3,331,847	3,427,149
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	2,857,788	2,997,695	2,997,695	3,597,291	3,680,093
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	-	-	-	-	-
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers	12,500	12,500	12,500	-	12,500
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	2,870,288	3,010,195	3,010,195	3,597,291	3,692,593
Revenues Over/(Under)Expenditures	117,362	-	-	(269,483)	-
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	-	-	-	-	-
Contingency Account	-	-	-	-	-
Undesignated	4,039	26,773	4,039	(265,444)	(265,444)
TOTAL ENDING BALANCE	4,039	26,773	4,039	(265,444)	(265,444)

Other Employee Benefits Fund - 513

Created in FY 11, the Other Employee Benefits Fund accounts for expenses incurred for the insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan maintained for City employees. Benefits paid from this fund include the following:

- Vacation and Sick Payouts
- Employee Assistance Program
- Life Insurance
- Short-term and Long-term Disability
- Dental and Vision Insurance

Revenues are generated by charges to various departments and funds based on experience and actuarial estimates, plus paycheck deductions from employees.

Revenue/Sources

Total Revenue/Sources budgeted for FY 19 of \$3,692,593 are \$364,785, or 11.0%, higher compared to FY 18 estimated year-end receipts of \$3,327,808. FY 18 estimated year-end receipts are \$340,158, or 11.4%, higher than FY 17 Actuals. All revenue, unless otherwise noted, in the Other Employee Benefits Fund are projected by the Human Resource Department and reviewed by the City Manager. Projections are based on FY 18 Year-end Estimates rather than the FY 18 Approved Budget levels.

Most revenues/sources received by this Fund are generated through departmental premiums; the amounts are determined based on whether the departmental funding sources are an Enterprise or Non-Enterprise Fund. Additional funding sources are generated through employee deductions and interfund transfers.

Employee Deductions – Revenues derived from:

- Voluntary employee paycheck deductions in exchange for elective benefits such as vision insurance, enhanced life insurance, dental insurance and other miscellaneous options
- Revenues derived from former employee payments for continuation of health insurance benefits.

Future growth of this revenue stream is dependent upon the cost of insurance policies provided by outside vendors and the number of employees electing specific coverage.

Premiums from Departments – Revenues derived from:

- Interfund charges to departments with full-time employees.
 - A calculation is completed to determine the specific interfund charge; taking into consideration the required amount needed to balance the fund, the fund-type (enterprise versus non-enterprise) and the total number of full-time employees.

Transfers – Revenues derived from:

- Interfund transfers occurring as a Revenue Source.

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$3,692,593 are \$95,302, or 2.6%, higher compared to FY 18 estimated year-end projections of \$3,597,291. FY 18 projected total Expenditures/Uses are \$727,003, or 25.3%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of (\$265,444) reflects no change from the FY 18 Year-end Estimated Fund Balance.

Fleet Services Fund Summary

Fleet Services Fund - 521

	FY 17 ACTUAL	FY 18 APPROVED BUDGET	FY 18 AMENDED BUDGET	FY 18 ESTIMATED	FY 19 APPROVED BUDGET
BEGINNING BALANCE	(204,177)	115	(1,028,535)	(1,028,535)	(1,915,978)
REVENUES/SOURCES:					
Property Taxes	-	-	-	-	-
Sales, Use & Fuel Taxes	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Utility Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	52,648	50,000	50,000	50,000	50,000
Charges for Service	2,905,133	3,115,850	3,115,850	3,099,850	3,623,958
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	19,942	3,000	3,000	65,923	13,000
Transfers	771,799	695,365	1,667,895	1,340,230	630,258
TOTAL REVENUES/SOURCES	3,749,522	3,864,215	4,836,745	4,556,003	4,317,216
TOTAL FUNDS AVAILABLE	3,545,345	3,864,330	3,808,210	3,527,468	2,401,238
EXPENDITURES/USES					
Legislative	-	-	-	-	-
Office of City Manager	-	-	-	-	-
Office of City Attorney	-	-	-	-	-
Finance	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	-	-	-	-
Growth Management	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public Works	4,494,698	3,305,123	4,349,118	4,884,354	4,326,290
Utilities	-	-	-	-	-
Bayfront Community Red. Agency	-	-	-	-	-
Debt Service	53,212	531,921	531,921	531,921	288,038
Transfers	25,970	27,171	27,171	27,171	28,226
Non-Departmental	-	-	-	-	-
TOTAL EXPENDITURES/USES	4,573,880	3,864,215	4,908,210	5,443,446	4,642,554
Revenues Over/(Under)Expenditures	(824,358)	-	(71,465)	(887,443)	(325,338)
ENDING BALANCE					
Adjustments	-	-	-	-	-
Fund Balance:					
Reserved/Restricted	(645,304)	-	-	(595,629)	-
Contingency Account	-	-	-	-	-
Undesignated	(383,231)	115	(1,100,000)	(1,320,349)	(2,241,316)
TOTAL ENDING BALANCE	(1,028,535)	115	(1,100,000)	(1,915,978)	(2,241,316)

Fleet Services Fund - 521

The Fleet Services Funds, established in FY 04, accounts for operations, repairs, and replacement of the City's vehicular and major equipment fleet. Revenues are generated by separate user charges to various departments for operational costs and vehicle "replacement" charges to General Fund departments. Non-General Fund departments are only charged for operational costs as they purchase, depreciate, and replace their vehicles separately.

Revenue/Sources

Charges for Services comprise most Fleet Services Fund revenues/sources. Fleet Operating Charges to user departments are based on anticipated maintenance and fuel costs. Fleet Vehicle Charges are based on an annual analysis of historic operating and maintenance costs, plus anticipated changes for the new fiscal year. Fleet Replacement Charges are based on the anticipated replacement cost divided by the useful economic lifespan of each vehicle. These charges are then aggregated at the user-division level in the General Fund and Fleet Services Fund.

All revenue streams in the Fleet Services Fund are projected by Public Works Fleet Services Manager and reviewed by the City Manager. Projections are based on historic trends, future operational needs and surveys of economic indicators. The total revenues/sources budgeted for FY 19 of \$4,317,216 are \$238,787, or 5.2%, lower than the FY 18 estimated year-end receipts of \$3,527,468. FY 18 projected receipts are \$806,481, or 21.5%, higher than the FY 17 Actuals.

Fleet Replacement and Operating & Maintenance Charges – Revenues derived from:

- Replacement charges and operating and maintenance charges to user departments.
- Enterprise and Special Revenue Funds exception: only operating and maintenance charges are assessed (Utilities Operating Fund, Community Development Block Grant Fund, Building Fund, Stormwater Utility Fund and Bayfront Community Redevelopment Agency Fund); all other departments with vehicles are assessed both charges.

Replacement Charges – Revenue derived from:

- Anticipated replacement costs divided by the useful economic lifespan of each vehicle.
- This revenue stream has not been funded since FY 2012.

Town of Malabar – Revenue derived from:

- Anticipated maintenance and repair of vehicles owned/operated by the Town of Malabar; performed by City personnel.

City of Melbourne Beach – Revenue derived from:

- Anticipated maintenance and repair of vehicles owned/operated by the City of Melbourne Beach; performed by City personnel.

Interfund Transfers – Revenues derived from:

- Transfers from other City Funds (outside of Fleet Charges).

The FY 19 projected receipts, related to transfers, totaling \$630,258 are (\$141,541), or 18.3%, lower than the FY 17 Actuals. In comparison to the FY 18 estimated year-end receipts, the FY 19 Budget is (\$709,972), or 53.0%, lower.

Miscellaneous Revenues – Revenues derived from:

- Motor Fuel Tax Rebates received by the City for previously purchased diesel fuel in which a state fuel tax was paid
- Interest Income

- City Auction Proceeds
- Gains (Losses) on Fuel Hedging

Expenditures/Uses

Total Expenditures/Uses budgeted for FY 19 of \$4,642,554 are \$800,892, or 14.7%, lower compared to FY 18 estimated year-end projections of \$5,443,446. FY 18 projected total Expenditures/Uses are \$869,566, or 19.0%, higher than the FY 17 Actuals.

Change in Fund Balance

The projected FY 19 Year-end Fund Balance of (\$2,241,316) is \$325,338, or 17.0%, lower than the FY 18 Year-end Estimated Fund Balance of (\$1,915,978). Revenue received via interfund transfers, as discussed in the previous Revenue/Sources section, reflects a 53.0% decline from FY 18 estimated year-end receipts contributing to a lower fund balance. As additional operations, repairs, and replacement of City's vehicular and major equipment fleet is needed throughout the fiscal year, transfers to the Fleet Fund will via a Budget Amendment.